

BUSINESS WEEK

Freight Cars:
TOO FEW FOR WAR?
(PAGE 25)



Stewart E. Lauer: Invading a hot market with a new York home cooler (page 36)

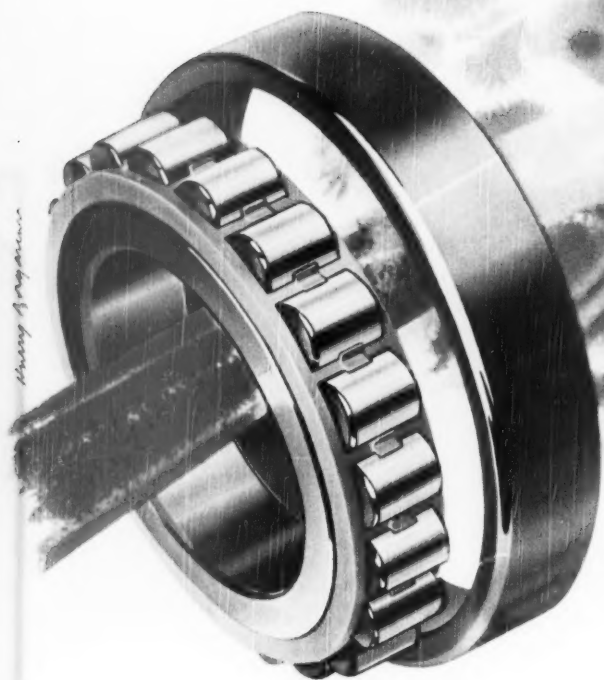
A MCGRAW HILL PUBLICATION

JULY 22, 1950

TWENTY-FIVE CENTS

A CHALLENGE

TO EXISTING ENGINEERING STANDARDS!



There doesn't seem to be any limit to what our new jet planes can do. Every day they race faster—farther—higher—than the day before. ★ Jet propelled aircraft—which promise to extend man's air reach beyond the speed of sound—present a distinct challenge to engineers and existing engineering standards. Engines, for example, require bearings which must withstand almost unbelievable loads and temperatures; and operate effectively at speeds of as high as twenty thousand revolutions per minute! ★ The fact that leading jet engine manufacturers consistently specify Bower bearings is conclusive evidence of their all-around excellence and quality. The same painstaking workmanship found in Bower aircraft bearings is present in the Bower bearing used in many different types of equipment. Specify this outstanding bearing value for your product.

BOWER ROLLER BEARING COMPANY • Detroit 14, Michigan

BOWER

ROLLER BEARINGS



**COMPANY
EXECUTIVES:**

Write today for your
copy—includes pension
plans recently negoti-
ated with labor unions.

1950 EDITION

A Study of
**Industrial
Retirement
Plans**



BANKERS TRUST COMPANY
NEW YORK

New 120-page analysis
of retirement plans in 83
industries — a valuable
guide in setting up a new
plan, or bringing an old
plan up to date.

**THIS BOOK ANSWERS
THESE 9 KEY QUESTIONS**

- What patterns have been set in plans recently negotiated with unions?
- What are the recent developments and trends in employer unilateral plans?
- What are the detailed provisions of these plans?
- How are benefits being revised in existing plans?
- What other changes have been made in existing plans?
- How will changes in Social Security Law affect benefits?
- What pensions are paid on annual compensation of \$2,000, \$3,000, \$5,000, \$15,000?
- How are pension plans funded?
- To what extent do plans call for employee contributions?

What companies in 83 industries did about Retirement Plan Problems

**PENSION PLANS IN THESE AND
35 OTHER INDUSTRIES ANALYZED**

Air Transport	Importing & Exporting
Aircraft	Lumber
Manufacturing	Machinery Mfg.
Automobile	Meat Packing
Baking	Motion Pictures
Beverage	Non-ferrous Metals
Building	Optical
Business	Paint
Equipment	Paper
Carpet	Petroleum
Cement	Public Utility
Chemical	Publishing
Coal	Radio & Television
Dairy	Railroad
Distilling	Refrigerator Mfg.
Drug	Retail Store
Electrical	Rubber
Equipment	Shipbuilding
Engraving & Printing	Silverware
Farm Equipment	Soap
Financial	Steamship
Floor Covering	Steel
Food	Sugar
Glass	Textile
Household Appliance	Tobacco
Insurance	

THIS valuable 120-page volume provides you with a quick, simple method of applying the pension experience of others to your business.

Written by pension specialists, this new book gives you facts and figures showing how companies in 83 industries are working out their retirement plan problems.

It contains complete information on pension plans negotiated recently with labor unions.

Facts about each company's plan are in tabular form for quick reading and easy comparison.

You will find this book a valuable guide in establishing a new pension plan, or for use in comparing and checking your present plan and bringing it up to date.

WRITE FOR YOUR COPY TODAY

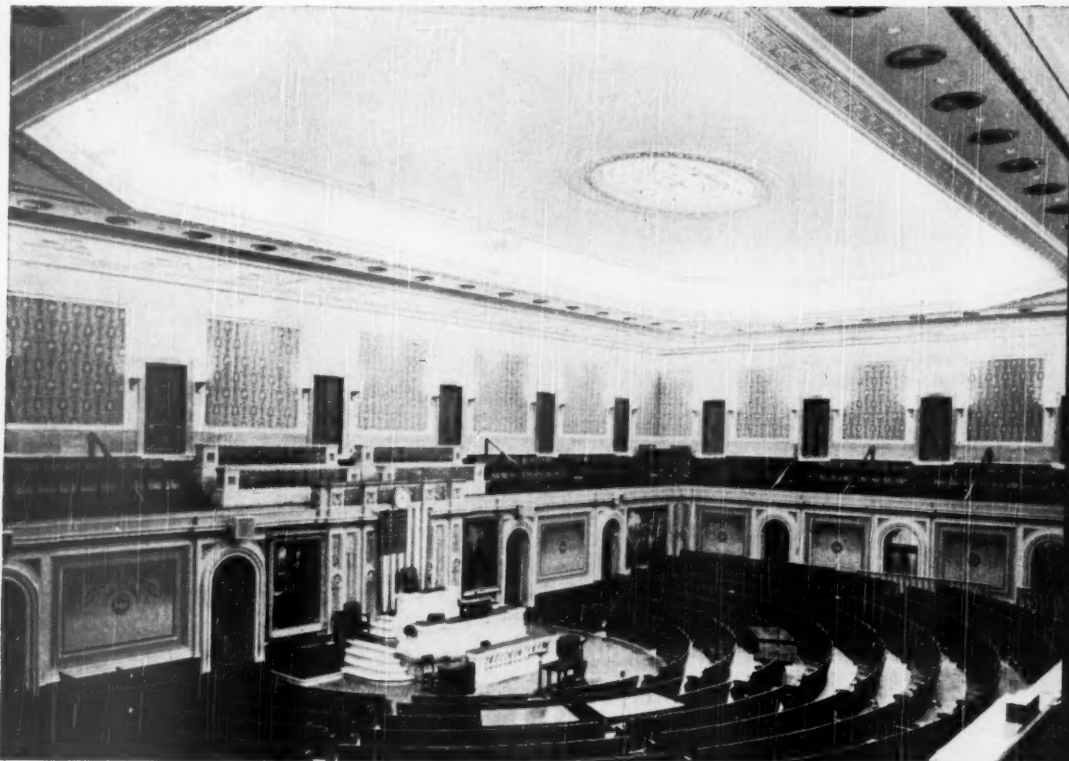
Simply write on your business letterhead for your copy of *A Study of Industrial Retirement Plans*. It will be sent to you without cost or obligation. Please address Pension Trust Division, Bankers Trust Company, 16 Wall St., New York 15, N. Y.

BANKERS TRUST COMPANY
NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Only STEEL can do so many jobs



STEEL CEILING KEEPS CONGRESS COOL. In the U. S. Capitol, a recent face-lifting gave the House and Senate Chambers new ceilings of perforated U-S-S Stainless Steel. Fresh air is sent into the rooms by new air-conditioning equipment and used air is drawn out through ceiling perforations. These painted stainless steel ceilings not only present a very attractive appearance, but they resist corrosion and serve excellently to absorb sound as well.



JACKKNIFE DRILLING RIG. This ingenious 50-ton capacity oil well servicing rig is used for cleaning out oil wells up to 5000 feet deep. Once a job is done, the tall derrick, made tough and lightweight with U-S-S Cor-Ten Steel, just folds down on top of the truck and the rig is off at once to the next job.

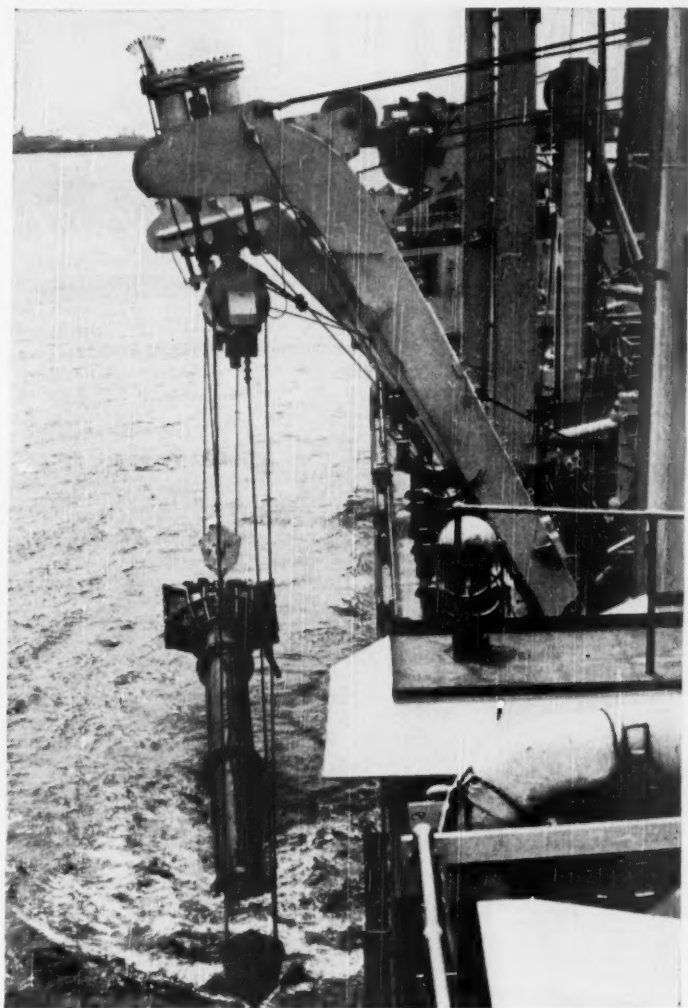
BOARDING SCHOOL BOUDOIR. When Sister goes away to school, you want her snugly quartered, of course. So it's nice to know that an increasing number of dormitories in girl's schools and colleges throughout the country are being equipped with attractive, sturdy steel furniture like this (and with comfortable inner-spring mattresses).



so well...



THE SPRING'S THE THING. Scores of things you use every day, from lighters and mechanical pencils to automobiles and washing machines, depend on steel springs to make them work right. United States Steel produces millions of such springs every year, each one tailored for its specific function.



WORLD'S LARGEST VACUUM CLEANER. Tiger Brand Wire Rope is a vital link in the operation of the new Corps of Engineers' dredge "Essayons." The dredge does the essential job of keeping New York Harbor clear of silt in order that world traffic can flow to and from this important port. In making wire rope for this and hundreds of other equally important uses, United States Steel continues its number-one job of helping to build a better America.

Listen to . . . NBC Symphony Orchestra, presented every Sunday evening by United States Steel, National Broadcasting Company, coast-to-coast network. Consult your newspaper for time and station.



... and this label is your guide to quality steel

UNITED STATES STEEL

Helping to Build a Better America

DIVISION • CARNEGIE-ILLINOIS STEEL CORPORATION • COLUMBIA STEEL COMPANY • CONSOLIDATED WESTERN STEEL CORPORATION • GERRARD STEEL STRAPPING COMPANY COMPANY • UNITED STATES STEEL PRODUCTS COMPANY • UNITED STATES STEEL SUPPLY COMPANY • UNIVERSAL ATLAS CEMENT COMPANY • VIRGINIA BRIDGE COMPANY

MOBILIFT

with **Lev-R-Matic Drive**

Moves Materials *Faster at Low Cost!*



... because

- ★ **Lev-R-Matic CONTROLS**
give effortless, split-second maneuverability.
- ★ **MULTIPLE-DISC CLUTCH**
transmits positive power . . . smoothly and instantly.
- ★ **STAND-UP DRIVING**
insures the maximum visibility both forward and back.
- ★ **ROLLER CHAIN LIFT**
eliminates obstructions between the uprights . . . raises quickly and smoothly.
- ★ **COMPACT DESIGN**
gives speedy, efficient operation in the narrowest aisles.

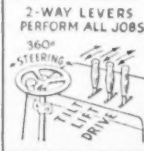
Using MOBILIFTS with Lev-R-Matic drive, you can actually treble the number of pounds handled per man, per hour, and at the same time, reduce your operating costs! Let a "MOBILIZATION" consultant show you how to speed-up operations.

Simple Control System Secret of Super-Maneuverability

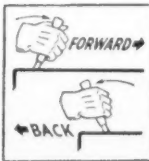
Illustrated: MODEL KW
CAPACITY: 3,500 lbs. on 15" load center.
LIFT HEIGHT: 68", 108".
MAST HT. (lowered) 63", 83".
FREE LIFT: 36", 56".
LENGTH: (less forks) 73 1/2".
WIDTH: (overall) 36".
TURNING RADIUS: 85".

Easy-to-Operate Grouped Controls

Steering Wheel, Mast Tilt Lever, Elevator Lever and Forward-Back Lever all functionally grouped for easy operation. Right foot controls accelerator, left foot "Dead-Man" brake which sets automatically when operator steps off.



PUSH a SINGLE LEVER
—go forward instantly
PULL the SAME LEVER
—back-up instantly
A service-proven multiple disc clutch smoothly transmits power
FORWARD - or - BACK
NO GEARS TO SHIFT!



WRITE TODAY

Get your copy of the new, illustrated "Lev-R-Matic" Bulletin. No obligation of course.

MOBILIFT CORPORATION

835 S. E. MAIN ST. • PORTLAND 14, OREGON

2317 W. 18th, CHICAGO • 790 Patterson Ave., E. RUTHERFORD, N. J.

1113 Spring St. N. W., ATLANTA • 2724 Taylor St., DALLAS

2730 San Pablo Ave., BERKELEY • 1567 E. 25th St., LOS ANGELES



BUSINESS WEEK

BOARD OF EDITORS

CHAIRMAN & PUBLISHER, Elliott V. Bell

EXECUTIVE EDITOR Kenneth Kramer

MANAGING EDITOR Edgar A. Grunwald

ASST. MANAGING EDITOR Robert B. Colborn

ASSOC. MANAGING EDITORS

Proctor Mellquist John L. Cobbs

DEPARTMENT EDITORS

Business Outlook, Clark R. Pace • Finance, William McKee Gillingham • Foreign, Howard Whidden • Illustration, Jacquelyn Judge • Industrial Production, John Sasso • Labor, Merlyn S. Pizelle • Law, Joseph A. Gerardi • Marketing, James C. Nelson, Jr. • Regional Reports, Richard M. Machol • Agriculture, Arthur L. Moore

EDITORIAL ASSISTANTS

I. P. Chamberlain (Asst. Finance Editor), Jean Drummond, Mary Flaherty, William B. Franklin, Charles M. Garvey, John Hoffman, Mary Maguire, Paul Miller, Jr., Arthur Richter, Carl Riser (Asst. Marketing Editor), Edward T. Townsend (Asst. Labor Editor), Doris I. White • Statistician, Gertrude Charlott • Librarian, Mildred L. Washburn

NEWS EDITORS

Stanley H. Brown, Cora Carter, Frank J. Fogarty, John Hartshorn, Guy Shipley, Jr. • Photography, Dick Walters

ECONOMICS STAFF

Dexter M. Keeser, William F. Butler, Peter French, Robert P. Ulin, Stanislaw H. Wellisz

DOMESTIC NEWS SERVICE

Chicago Bureau, James M. Sutherland, Mary B. Stephenson, Dorothy Miller • Cleveland Bureau, Robert E. Cochran • Detroit Bureau, Stanley H. Brans, James C. Jones, Jr. • Los Angeles Bureau, Thomas M. Self • San Francisco Bureau, Richard Lamb, Marshall Burns • Washington Bureau, George B. Bryant, Jr., Glen Bayless, Carter Field, Joseph Gambatore, Seabrook Hall, Louise Jacobson, James Justice, John L. Kent, Donald O. Loomis, Nathaniel McKitterick, Gladys Montgomery, Seymour Nagan, Caroline Robertson, Ron Ross, Vincent Smith • Correspondents: Akron, Albuquerque, Atlanta, Baltimore, Bangor, Birmingham, Boston, Buffalo, Charlotte, Cincinnati, Columbus, Dallas, Denver, Des Moines, Houston, Indianapolis, Kansas City, Knoxville, Louisville, Madison, Memphis, Miami, Minneapolis, New Orleans, Norfolk, Oklahoma City, Omaha, Philadelphia, Pittsburgh, Portland, (Ore.), Providence, Richmond, Rochester, Salt Lake City, San Diego, Seattle, St. Louis, Spokane, Topeka, Tucson, Wichita, Wilmington, Honolulu

FOREIGN NEWS SERVICE

Editor, Russell F. Anderson • London, Frederick Brewster • Paris, Boyd France • Frankfurt, John Christie • Mexico City, John Whelan • Moscow, Andrew Steiger • Tokyo, Alpheus Jessup • Manila, Herbert Leopold • Bombay, Philip Creswell • Rio de Janeiro, Joseph Van Denburg, Jr. • Buenos Aires, Herbert M. Clark • Correspondents: Amsterdam, Bangkok, Batavia, Bogota, Cairo, Caracas, Copenhagen, Geneva, Johannesburg, La Paz, Lima, Manila, Milan, Montevideo, Ottawa, Prague, Santiago, Shanghai

ADVERTISING & BUSINESS MANAGER

Herman C. Sturm

BUSINESS WEEK • JULY 22 • NUMBER 1090

(with which are combined The Annalist and the Magazine of Business) • Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw (1860-1948), Founder & Publication Office 99-129 North Broadway, Albany, N. Y. • Editorial and Executive Offices, 1221 Ave. of the Americas, New York 20, N. Y. • President, Willard Cavalier, Executive Vice-President, Joseph A. Gerardi, Vice President and Treasurer, John J. Cooke, Secretary, Paul Montgomery, Senior Vice-President, Publications Division; Ralph B. Smith, Editorial Director; Nelson Bond, Vice President and Director of Advertising. Address correspondence regarding subscriptions to J. E. Blackburn, Jr., Vice President and Director of Circulation, Business Week, 99-129 N. Broadway, Albany 1, N. Y., or 330 West 42nd St., New York 18. Allow ten days for change of address.

Subscriptions to Business Week are solicited only from management-men in business and industry. Position and company connection must be indicated on subscription orders.

Single copies 25c. Subscription rates—United States and possessions \$6.00 a year; \$12.00 for three years. Canada \$7.00 a year; \$14.00 for three years. Pan American countries \$10 a year; \$20.00 for three years. • All other countries \$20 a year; \$40.00 for three years. • Printed as second class matter Dec. 4, 1938, at the Post office at Albany, N. Y., under Act of Mar. 3, 1879. • Printed in U. S. A. Copyright 1959 by McGraw-Hill Publishing Co., Inc.—All Rights Reserved

BUSINESS WEEK • July 22, 1950

A valuable package for you



Sometimes you may think of the Telephone Company simply as the organization that provides you with good telephone service at low cost.

That, of course, is its most important job.

But its value to the community and to you personally goes far beyond the completing of a call. Wrapped up in the words "Telephone Company" are jobs and wages and local purchases, as well as telephone service.

The Bell System employs over 550,000 men and women and its payroll is above \$2,000,000,000 annually. The wages spent by telephone employees create jobs and wages for people in many other lines. So do the large purchases by Bell Telephone Companies themselves.

Home Town Booster—Western Electric, the manufacturing, purchasing and supply unit of the Bell System, alone bought from 23,000 concerns in 2500 cities and towns last year.

These things are good for you and good for your town.

Need for Adequate Rates—The jobs, the wages, the money spent for local goods and services, and the continuation of good telephone service, all depend on adequate rates and earnings.

For only through adequate rates and earnings can Bell Telephone Companies meet the increased cost of furnishing telephone service and attract the new capital needed to improve it.

BELL TELEPHONE SYSTEM



6 ways to cut costs and improve your product

with a...

Lamb Electric special application MOTOR



Universal motor parts for portable electric tools, household appliances, and many industrial devices.



Intermittent high torque motor with low weight factor is adaptable to many general low-voltage applications.



Light-weight universal motor with efficient spur gear speed reducer for operating heavy loads at low speed.

If you are looking for ways to better the competitive position of your product, it will pay to investigate the following six advantages of a Lamb Electric Motor—designed to meet the exact requirements of your application:

IN THE MOTOR...

1. Reduced cost, weight, space.
2. Exact mechanical and electrical characteristics.
3. Thorough dependability.

IN THE PRODUCT...

4. Better performance.
5. Improved eye-appeal.
6. Compactness, less weight.

Our 35 years' experience in the small motor field is available to your engineering department to help attain these objectives. The Lamb Electric Company, Kent, Ohio.

They're Going Into America's *Finest* Products

Lamb Electric

SPECIAL APPLICATION
FRACTIONAL HORSEPOWER MOTORS

Highlights

In This Issue

The Remobilization Picture

• BUSINESS WEEK takes a close look at current and future needs—and what they will mean to the U.S. economic machine. P. 19

Price Climb Accelerates

• Prices are already back to the 1949 high and all the signs point up, up, up. P. 22

Taxes Will Go Up

• Korea means higher taxes—probably next year. Here is what to expect. P. 30

Music Is Sweet

• The music industry has its most prosperous year in 20 with sales 10% to 30% ahead of 1949. P. 32

Cincinnati's TV Whiz

• WCPO-TV builds a quick success on daytime audience, unorthodox programming, local talent. P. 42

Mass Jet Production

• It's no cinch to build precision jet engines in quantity. Pratt & Whitney's experience explains why. P. 48

Silver Dollar Days

• Seabrook Farms pays its people in "hard money"—thinks the stunt has brought in valuable publicity. P. 62

Shopping Centers Bloom

• And so does Boston group that plans, finances, builds, and operates them. P. 80

THE DEPARTMENTS

Business Abroad	105
Business Outlook	9
Cities	68
Community Relations	62
Finance	77
International Outlook	103
Labor	88
Marketing	32
The Markets	86
New Products	58
Production	48
Readers Report	66
Taxes	30
Television	42
The Trend	112
Washington Outlook	15

This advertisement is published to keep you up to date on the industrial uses for nylon textile fibers. Although demand for nylon still exceeds supply, you may wish to evaluate its possible future applications in your own business. Note: Du Pont makes only the fiber—not the nylon fabric or finished product.



HERE'S ONE FOR THE BOOK ABOUT **NYLON'S** STRENGTH

A book binder's idea of a better thread is one that's thinner . . . yet stronger. That might be impossible—if it were not for the high-strength to low-bulk ratio of Du Pont nylon fibers.

Nylon now provides a thread that's fine enough for the smallest books, strong enough for the heaviest. It has the strength to follow the needle through close-packed pages. And nylon thread is so smooth and uniform that it practically eliminates breaks caused by tangling and knotting.

Machines using nylon thread often sew all day without a single shut-down due to a thread break. Ordinary thread frequently averages 10 breaks a day. Such trouble-free operation is typical of the advantages that nylon thread is

bringing to many different industries.

Nylon's resiliency is another advantage to book binders and to other users of thread. Slightly elastic, nylon tightens up after the book is bound—makes a tighter, more compact volume.

You may never have occasion to use thread. But think how you can use nylon's strength, smoothness and resiliency in some other application. Perhaps you can improve your product, make a new one or simplify production.

Nylon is tough and durable . . . has high abrasion-resistance. It resists deterioration by petroleum oils, soil rot, alkalies, mold and mildew. In addition, nylon fabrics can be heat-set to hold shape.

INFORMATIVE BOOKLET "Nylon Textile Fibers in Industry" will bring you up to date on nylon's performance in industry. When you write for your copy, tell us your fabric or fiber problems. Nylon Division 107, E. I. du Pont de Nemours & Co. (Inc.), Wilmington 98, Delaware.

DU PONT
NYLON FIBERS



BETTER THINGS FOR BETTER LIVING
...THROUGH CHEMISTRY

For nylon . . . for rayon . . . for fibers to come . . . look to Du Pont

Comfort? Sure

...and we've proved
it pays off

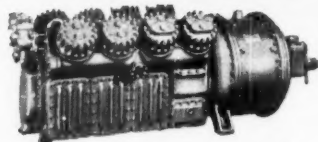


Putting *Air* to work...

...proves itself in dollars and cents to businessmen who invest in Westinghouse Air Conditioning. Whether it is an office, store, or plant, people do more and better work when they are comfortable. Absenteeism drops, and labor turn-over is lessened.

Westinghouse Air Conditioning makes production more efficient, too. Humidity and temperature control helps keep precision instruments and machinery in better adjustment, reduces corrosion and "sweating." To many industries, it means a more uniform product, cutting rejects and spoilage losses.

The entire range of Westinghouse Air Conditioning—from self-contained units to engineered systems—is known for the economical, trouble-free service of its *hermetically-sealed* compressor. The first of its kind ever to be used in air conditioning, this compressor is your greatest single guarantee of Westinghouse dependability. For full information, call the Westinghouse Distributor listed in your Classified Telephone Directory, or write to Westinghouse Electric Corporation, Sturtevant Division, Hyde Park, Boston 36, Massachusetts.



The Westinghouse Hermetically-Sealed Compressor is the most dependable compressor in air conditioning.

WESTINGHOUSE AIR CONDITIONING serves Industrial
Plants • Offices • Department Stores • Restaurants
Hospitals • All Types of Retail Outlets and Showrooms

YOU CAN BE SURE...IF IT'S **Westinghouse**

BUSINESS OUTLOOK

BUSINESS WEEK

JULY 22, 1950



Salt away a little extra cash against next Mar. 15—and subsequent Mar. 15th's. Tax bills are going to be a lot higher.

That's the cost of war in Korea, plus preparing for whatever comes elsewhere in the world.

It must be done largely on a cash basis. Otherwise, there will be big inflation. For the armament program assures a high level of business and high consumer incomes as far into the future as anyone can see. And there won't be enough consumer goods to soak up the income.

Inflationary dangers in the spending of an additional \$10-billion for arms are enormous (page 23). For:

(1) Industrial production is at a postwar high. Nothing the President proposes to do will cut back civilian output as fast as arms go up.

(2) Personal income is running at a yearly rate of \$212-billion. More important, wage and salary payments at last report were at a record annual rate of \$139.2-billion.

(3) Money supply (adjusted demand deposits and currency outside banks) has been going up sharply since March. It now tops \$110-billion. That's \$2-billion ahead of 1948 and \$3-billion above this time last year. If bonds are sold to banks to pay for arms, more new money will be created.

•
Rearming now obviously is costing much more than 10 years ago.

Just how much depends on the yardstick. But take the Bureau of Labor Statistics' index of wholesale prices of industrial products (all items other than farm products and foods): It's almost exactly 90% higher than it was before World War II broke out.

Another BLS index—that of spot prices of raw materials used by industry—is 160% higher than it was in August, 1939.

•
The cost-of-living index is writing the case for price controls.

From mid-May to mid-June—before the shooting started—another jump carried the index to 170.2, the highest since January, 1949 (page 100).

•
People who were close to rationing and price control in World War II confidently predict quick growth of gray markets.

If the President had asked for rationing now, with shelves full, allotments could have been quite liberal. But, as things stand, supplies will be drained off before anything can be done.

•
Price increases, confined mostly to raw materials until recently, now are rapidly being passed on to the consumer.

You could see that in boosts this week in coffee, tires, gasoline.

You only read about it in the case of worsted fabrics; this boost will be felt in men's and women's apparel next spring.

A manufacturer marked up two types of chambrays for work clothing.

Then there was another rise in heavy fuel oil on the West Coast and the year's third markup on Pennsylvania-grade crude oil.

•
All available evidence points to the fact that business has built up

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK

JULY 22, 1950

inventories only moderately this year. Unlike 1948, when inventories rose much more sharply than sales, stocks are up much less this year.

Inventories were slashed \$5-billion or 8½% last year. Up to the end of May, they had risen only \$600-million or a bit over 1%.

And, while these figures are a little out of date by now, business lending by the banks doesn't indicate any great pickup in June and July. While loans are considerably ahead of a year ago, the difference is due more to inventory liquidation in 1949 than to stocking up now.

The pickup in business loans this summer fits the normal pattern.

•
Textile people are looking forward to good business indefinitely.

Volume was satisfactory even before the Korean crisis. Ever since the Red invasion, it's been a scramble.

And, though the war is still small, military needs pick up sharply whenever shooting starts. And military textiles take more yarn; the goods soldiers use almost without exception are heavier than the civilians'.

Duck takes a lot more cotton than broadcloth, parachutes more nylon than hosiery.

•
Statistics on zinc and copper give some idea of present demand for the nonferrous metals.

Deliveries of refined copper to consuming industries were 126,000 tons in June. That's the highest in 2½ years. And producers' stocks are down to 50,000 tons, the smallest since late in 1944.

Zinc shipments soared to 91,000 tons, the highest in 19 months. And stocks dropped to a skimpy 26,700 tons.

•
Cuba's quota of sugar for this market probably will have to be boosted again. That's one result of the present hoarding.

Only 10 days ago, it was boosted 350,000 tons. That was designed to bring this country's total 1950 supply up to 7,850,000 tons—a very high consumption level by any past standards.

•
Whether price ceilings are necessary now or not, here's one fellow who isn't taking any chances.

A wholesaler of meats in Los Angeles advanced prices 5¢ a lb. each day for a week. He gave this reason:

"Our people think there's going to be a long war, and we don't want to be caught with a low ceiling price."

•
Agitation is bound to increase for heavier loading of freight cars.

We are building up to the seasonal peak in rail traffic. Added onto that is the long haul to the West Coast on arms and supplies. And it finds us with the car situation already tight (page 25).

Compulsory heavy loading, as in World War II, is one answer.

•
Nobody ever will be able to prove this, but the auto situation may have been getting a little sticky just before the Korean crisis

Anyhow, here's a straw in the wind: Automotive Daily News reports all dealers' stocks of new cars on July 1 (on hand and in transit) at 540,018. That was up from 407,880 a month earlier—one of the sharpest monthly gains since the end of the war.



HORSEPOWER

With A
Pedigree

NOW 8 BASIC CHRYSLER ENGINES FROM WHICH TO CHOOSE

In scores of industrial applications, Chrysler Industrial Engines are out-performing all other similarly rated engines. With less down time! With lower lifetime cost per hour. That comes from famed Chrysler engineering and high precision manufacturing. Yet thanks to Chrysler mass production economies, you can buy Chrysler power for less money!

If you use internal combustion power requiring 200 to 400 cubic inches piston displacement, get more for less! Phone your Chrysler Industrial Engine dealer or write us. Industrial Engine Division, Chrysler Corporation, Detroit 31, Michigan.

CHRYSLER
Industrial Engines
and Power Units

HORSEPOWER



WITH A PEDIGREE

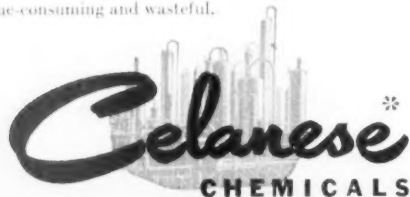


Celanese Research

produces Solid Formaldehyde at an Industrial Price

- New flake form speeds processing
- Saves storage space and equipment
- Handles easier

For years the high price of paraformaldehyde (formaldehyde in dry form) restricted demand to a few million pounds a year. And a lower price was difficult if not impossible to achieve, because standard methods of production were time-consuming and wasteful.



But, now, the picture has changed completely. Celanese planned research has developed a revolutionary new process for producing paraformaldehyde. The new product, in flake form, was introduced a year ago. It was offered to industry at one-half of the prevailing market price for paraformaldehyde.

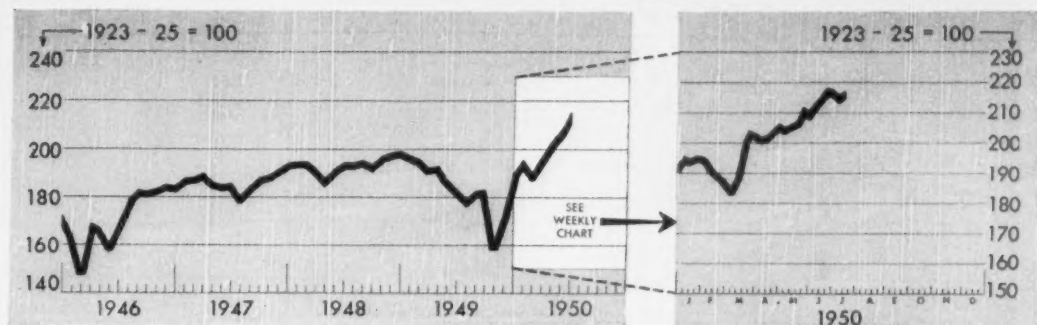
What about results? A great number of industries never able to consider solid formaldehyde because of its high cost are now using Celanese* Flake Formaldehyde and getting better, faster and more uniform production than ever before.

Perhaps Celanese Flake Formaldehyde can give you many advantages. We'd like to talk to you about it. Celanese Corporation of America, Chemical Division, Dept. 49-G, 180 Madison Avenue, New York 16.

*Reg. U. S. Pat. Off.

ACIDS • ALCOHOLS • ALDEHYDES • GLYCOLS • KETONES • PLASTICIZERS • SOLVENTS

FIGURES OF THE WEEK



Business Week Index (above)

PRODUCTION

	Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
Steel ingot operations (% of capacity)	99.4	96.0	101.2	78.3	97.3
Production of automobiles and trucks	202,594	137,731	204,704	156,436	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$55,011	\$51,051	\$42,035	\$29,066	\$19,433
Electric power output (million kilowatt-hours)	6,006	5,380	6,012	5,342	3,130
Crude oil and condensate (daily average, 1,000 bbls.)	5,495	5,476	5,347	4,725	3,842
Bituminous coal (daily average, 1,000 tons)	300	1,708	1,768	945	1,685

TRADE

Miscellaneous and l.c.l. carloadings (daily average, 1,000 cars)	76	75	76	69	86
All other carloadings (daily average, 1,000 cars)	56	56	56	55	52
Money in circulation (millions)	\$27,169	\$27,315	\$26,993	\$27,480	\$9,613
Department store sales (change from same week of preceding year)	+7%	+10%	+5%	-7%	+17%
Business failures (Dun & Bradstreet, number)	187	138	178	167	228

PRICES (Average for the week)

Cost of Living (U. S. Bureau of Labor Statistics, 1935-1939 = 100), June	170.2		168.6	169.6	105.2
Spot commodity index (Moody's, Dec. 31, 1931 = 100)	433.5	420.4	394.4	341.7	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	256.8	246.8	240.6	212.2	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	350.4	344.5	325.5	299.0	146.6
Finished steel composite (Iron Age, lb.)	3.837¢	3.837¢	3.837¢	3.705¢	2.396¢
Scrap steel composite (Iron Age, ton)	\$37.17	\$37.08	\$39.00	\$19.33	\$19.48
Copper (electrolytic, Connecticut Valley, lb.)	22.500¢	22.500¢	22.500¢	17.625¢	12.022¢
Wheat (No. 2, hard winter, Kansas City, bu.)	\$2.19	\$2.20	\$2.15	\$2.05	\$0.99
Sugar (raw, delivered New York, lb.)	6.06¢	15.98¢	5.79¢	5.80¢	3.38¢
Cotton (middling, ten designated markets, lb.)	37.46¢	135.68¢	33.65¢	32.13¢	13.94¢
Wool tops (Boston, lb.)	\$2.38	\$2.33	\$2.33	\$2.05	\$1.41
Rubber (ribbed smoked sheets, New York, lb.)	36.93¢	34.60¢	28.99¢	16.56¢	22.16¢

FINANCE

90 stocks, price index (Standard & Poor's Corp.)	134.4	138.8	150.3	117.9	78.0
Medium grade corporate bond yield (Baa issues, Moody's)	3.34%	3.33%	3.28%	3.45%	4.33%
High grade corporate bond yield (Aaa issues, Moody's)	2.66%	2.65%	2.62%	2.66%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average)	11-11%	11-11%	11-11%	11-11%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	11-11%	11-11%	11-11%	11-11%	4-1%

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks	47,547	47,396	47,942	46,035	1127,777
Total loans and investments, reporting member banks	67,586	67,652	67,299	62,855	1132,309
Commercial and agricultural loans, reporting member banks	13,725	13,660	13,459	12,972	116,963
Securities loans, reporting member banks	2,176	2,451	2,292	1,867	111,038
U. S. gov't and gov't guaranteed obligations held, reporting member banks	36,248	36,152	36,505	35,254	115,999
Other securities held, reporting member banks	5,869	5,767	5,689	4,700	114,303
Excess reserves, all member banks	920	770	930	1,013	5,290
Total federal reserve credit outstanding	18,757	18,950	18,270	19,279	2,265

*Preliminary, week ended July 15.

††Estimate (BW)—[Jul. 12 '47, p. 16].

‡Revised.

§Date for "Latest Week" on each series on request.



Baltimore's giant new
FRIENDSHIP
INTERNATIONAL AIRPORT
 latest of the postwar super airports
 equipped with **JENKINS VALVES**

Architects & Engineers
 WHITMAN, BEQUARDT-GREINER COMPANY &
 ASSOCIATES, BALTIMORE, MD.

General Contractors
 CONSOLIDATED ENGINEERING COMPANY,
 BALTIMORE, MD.

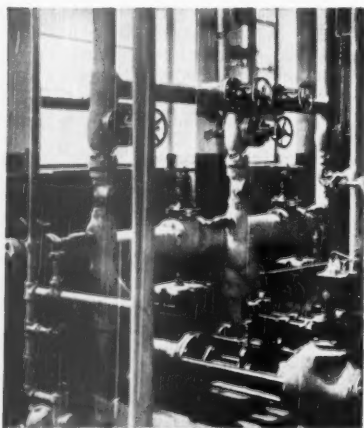
Heating, Plumbing & Air Conditioning Contractor
 LLOYD E. MITCHELL, INC., BALTIMORE, MD.

The plane hasn't been built that is too big to land at Friendship International Airport. Nor is it likely to be. For in designing this new 3000 acre giant, formally opened by President Truman on June 24 to serve the Baltimore-Washington area, the keynote was expandability.

To Friendship's engineers, this meant not only providing for future passenger and cargo traffic, but selecting equipment on the basis of *long service life and safety*. That's why at Friendship, as in so many of the postwar air terminal and other large buildings designed with Tomorrow in mind, Jenkins Valves are installed.

Jenkins builds extra endurance into valves — proved time and again by low upkeep cost records in every type of service. Yet, you pay no more for Jenkins Valves, despite this extra value. Let the Jenkins Diamond be your guide to valve economy . . . for new installations, for all replacements. Jenkins Bros., 100 Park Ave., New York 17; Jenkins Bros., Ltd., Montreal.

SOLD THROUGH LEADING INDUSTRIAL DISTRIBUTORS EVERYWHERE.



BEHIND THE SCENE at Baltimore's \$15 million Friendship International Airport, this view shows several of the 683 Jenkins Valves on 24-hour duty, policing steam, air, water and fire lines.

JENKINS
 LOOK FOR THE DIAMOND MARK
VALVES



Jenkins Bros.

WASHINGTON OUTLOOK

WASHINGTON
BUREAU
JULY 22, 1950



Truman's mobilization plan is only the start—the minimum to expect. It's big. But officials say frankly it's not enough for the job.

So you can expect a beefing up later, on top of Truman's \$10-billion. There will be more arms for our forces and those of our allies.

And there will be more controls. There no longer can be any doubt that the government will have more to say about how you live and do business.

- Scarce raw materials will be allocated—such things as metals.
- Civilian production will be cut back—autos, appliances, etc.
- Inventories will be controlled, to limit stocking up.
- But consumer rationing of food, clothing, etc., isn't in sight.
- Neither is general price control, although it is threatened.
- Credit will be made tighter, for home and instalment buying.
- Manpower won't be controlled, but the labor market will be tight.
- Costs will rise, your business costs and your living costs.
- And taxes will rise, too, on your own and your company's income.

•
You are getting the flavor of the home front impact now. Truman's first move turns off some of the credit which has inflated housing (page 24).

Scare buying is spreading. Prices are rising, even though the coming step-up in defense won't amount to much in terms of actual production before fall.

•
Congress will vote the \$10-billion Truman asked. Even aside from need, it's election year, and mail from home is heavy for defense.

Couple of points to remember: Of the total sum, about \$4-billion will go for weapons—military hardware. That doubles the present level. And \$10-billion is not the full cost of the program. That's to get defense started up. The total may hit \$50-billion over the coming years.

•
On controls, Congress is reluctant to vote the limited power asked by Truman in his recommendations for mobilization.

But the odds are that the power will be voted. Truman has the upper hand, regardless of the economic pros and cons. Prices are going to rise. And unless Truman gets most of what he wants, he will blame the inflation on Congress, especially the Republicans. And Congress knows that.

Allocations will be compulsory. Even if Congress insists on a voluntary basis at the start, they will be switched to a mandatory basis later.

Metals and scarce chemicals will be allocated first. But keep in mind that once controls start, they have a tendency to spread out.

Civilian cutbacks will come first for the big metal users in construction, automobiles, appliances. Proximity fuses for shells and bombs will cut into tubes available for radios and television.

•
Instalment-credit terms will become less liberal. The aim is to cut

WASHINGTON OUTLOOK (Continued)

WASHINGTON
BUREAU
JULY 22, 1950

down civilian demand for scarce goods by requiring bigger cash down payments and shortening the time for paying off the balance.

Truman can order this now, and may do it, if Congress delays.

•
Government help for plant expansion is on the way. Producers of critically needed items will be able to borrow from the government. And parts of the metal industry will get long-term government contracts as an incentive to boost production. Truman wants \$2-billion for this, and his plan is akin to the old Murray-Spence economic expansion proposal.

•
Higher taxes look like a certainty. But Congress may delay action until the fall, when costs of the mobilization will be cleared.

You can count on a big push for these: an excess-profits tax, higher individual and corporate income taxes, and a tough capital gains tax to dampen speculation. Secretary of the Treasury Snyder is drafting a program now.

All the tax planning is in terms of a big jump. The official line is that defense must be on a pay-as-you-go basis. Rising deficits at this time would feed inflation. Top Truman men estimate that the total tax load can be pushed up 25% in the first step—from \$40-billion to \$50-billion.

•
Control of the commodity exchanges is doubtful. Congress is likely to balk on this as an indirect move to control farm prices.

There's concern about stocks of farm products. If war should come, there would be trouble. Stocks of some basic crops are below the prewar level and others are only slightly above. Meantime the population is up 20 million.

•
Truman's program looks beyond Korea, although winning the "small war" is of course the first objective of limited mobilization.

The rise in U. S. military strength will be permanent. The \$13-billion military ceiling is out. We will put more in defense, even after Korea.

And the strength of U. S. allies is to be boosted, too. Each nation will make a contribution, but the U. S. will take on a bigger arms aid load.

It's a major revision of policy on how to check Russia.

The anti-Red nations, led by the U. S., had been going on the assumption that Russia would not become a serious military danger for another three years, at least. Now there is less certainty. The arms timetable is being stepped up. The costs will run high.

Congress will police defense spending. Defense Secretary Johnson will come in for more criticism for failure of the Administration to go ahead with the 70-group air force Congress voted. He may have to get out. All signs are the new "defensive investigation committee" will be rough on him.

The Washington atmosphere is reminiscent of the war days. Every agency is figuring on how it can get a role in defense, and thus share in the extra money. Government hiring is stepping up. Businessmen are coming back to town. Congress won't adjourn this year, will take recesses instead. The big business news will come from Washington in the months ahead.



Nickel alloy steels are widely specified for heavy duty power drive and reduction gears and pinions.

The Two Basic Advantages Provided by Nickel Alloy Steels

SPECIFY any reasonable *combination* of strength, hardness, toughness, ductility or other mechanical properties... in almost any degree. That's what nickel alloyed steels permit.

Various combinations of high mechanical properties developed in nickel alloyed steels give greater play to the skill of the engineer and, thus, facilitate improvements in design and methods of fabrication.

This is the first and fundamental advantage which no unalloyed composition can match.

Secondly...but an equally important advantage...nickel alloyed steels provide good machinability and response to heat treatment with minimum distortion.

Because of these facts, nickel alloy steels are widely used for gears. Gears of case-hardened nickel alloy steels provide a combination of hard, wear-resistant, non-spalling surfaces supported by strong, tough cores that resist shocks and overloads. Where surface compressive stresses are not of primary importance, direct-hardened nickel alloy steel

gears perform most satisfactorily, and have uniformly high tooth strength.

The many standard grades available permit specifying the particular type which provides the best set of properties for any reasonable fabrication and service demands. We shall gladly furnish counsel and data to help you select the right nickel alloyed steel for your requirements.

MAIL COUPON FOR VALUABLE BOOK



The International Nickel Company, Inc.
Dept. BW, 67 Wall St., New York 5, N. Y.

Please send me a copy of: "Modern Trends in
Nickel Steel and Cast Iron Gear Materials."

Name.....Title.....

Company.....

Address.....

City.....State.....

THE INTERNATIONAL NICKEL COMPANY, INC. NEW YORK 5, N. Y.

New Extra-Mileage Tires

*Specially designed, developed and fleet-tested
for modern trucks*



New Hi-Miler Xtra Tred

Up to 50% Deeper Tread
gives Super Mileage
plus Super Traction

New Hi-Miler Rib Tread

20% to 25% More
Mileage than present
standard tires

Now you can get tougher, safer, longer-wearing tires—specially engineered for today's busy trucks!

They give you far longer mileage—safer traction—greater blowout resistance—lower cost per mile—all proved by months of testing on punishing long-distance fleet operations under the most severe road, load and heat conditions!

THE NEW HI-MILER XTRA TRED, with as much as 50% deeper non-skid rubber and a new flatter tread contour, offers the thickest, most rugged tread built on a heavy-duty tire. If your present tires are wearing out their treads—not failing early from breaks or separation—try this great new tire that gives you as much as 50% more mileage and up to 60% more traction—yet costs only 12½% more than regular heavy-duty tires!

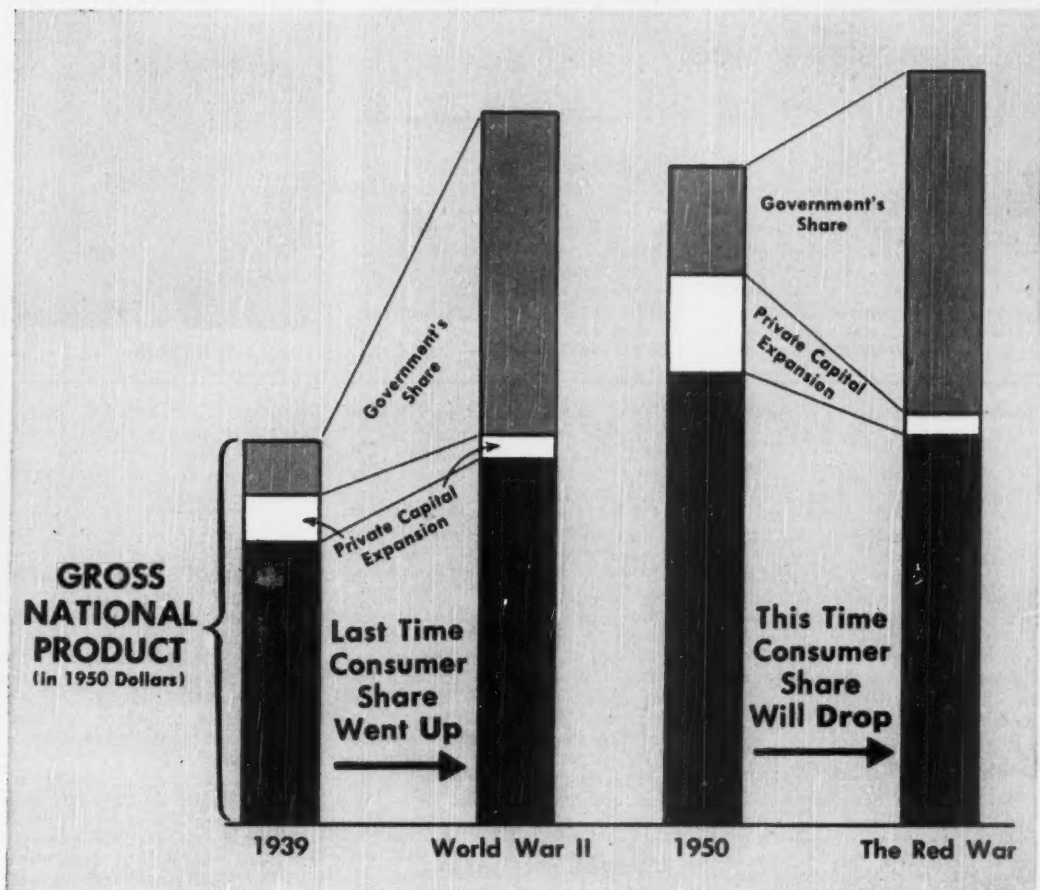
THE NEW HI-MILER RIB TREAD, featuring a new, flatter, zigzag multi-rib tread design, averages 20% to 25% longer wear than present standard tires—in fact, sets a brand new standard in the industry for mileage, carcass life and trouble-free service! Available in all sizes, from 15" and 16" rim diameters up. Where experience shows you can't use heavy-tread tires, the new Hi-Miler Rib is your best bet by far.

So new are these tires—with so many improvements over any others in their class—that you must use them to believe them. If you operate trucks you owe it to yourself to buy and specify these new tires that give you lower cost per mile. Call your local Goodyear dealer for expert advice and service. Goodyear, Akron 16, Ohio.

Hi-Miler, Xtra Tred—T.M.'s Tire Goodyear Tire & Rubber Company, Akron, Ohio.

GOOD YEAR

More tons are hauled on Goodyear tires than on any other kind



Mobilization: The Long Road Ahead

Truman puts U. S. on limited war footing now. If that fails—or if Russia forces our hand—all-out controls will be next step.

The U. S. economy went on a partial war footing this week. The package of military and economic proposals that President Truman put up to Congress is a limited mobilization program.

• **Review**—But before you and your lawyer settle down to read the fine print of Truman's proposals, you should review the background against which they stand.

This is no temporary crisis. It's a situation that could easily span the whole decade of the 1950's.

Even if the North Koreans turned around tomorrow and vanished behind the 38th parallel, it would make little difference. We are committed now to a new strategy—a strategy of growing military strength over the years.

We have to assume right off that there will be other Koreas—perhaps in Indo-China, the Philippines, Formosa, Iran, the Middle East. We will have to buck up our allies or potential allies in these danger spots even before there is any overt attack.

So much for a starter.

On top of that, we also have to assume that sooner or later there will be a real showdown with the Russians. We thus have to prepare for the possibility of an all-out war sometime.

That's the long-range, over-the-years job.

Truman's limited mobilization program is designed to meet the first of these basic strategic needs. It will get the arms and armies to retake Korea and police other danger spots. And it will also provide the transition for a gradual buildup of strength for the final showdown.

So it will probably be years before we have anything less rigorous. But don't count for sure on this steady—if

These Industries Are the Big Peacetime Steel Users

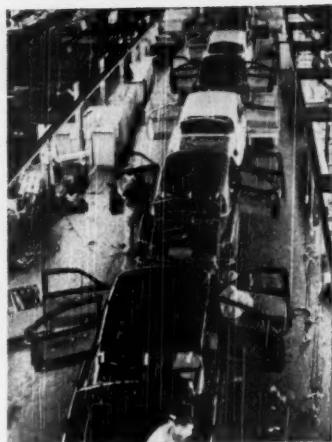


Steel will be the first place where business feels the full weight of the limited mobilization program that Truman announced this week. Steel mills already are running at capacity. Rising military demands can be filled only at the expense of production for civilian use.

Inevitably, this means a squeeze on the four biggest users of steel—autos (which

took 20.5% of the steel products shipped during May); construction (12.2%); containers (8.5%); railroads (6.8%).

But it also means a squeeze on all users of steel, large and small. Nearly 19% of the industry's output now goes to jobbers who channel it to smaller industrial users. Priorities will hit the jobbers' share along with the rest.



1. Autos

harsh—climate. Force of circumstances could quickly drive us from partial to total mobilization.

• **Catalysts**—There are at least three things that could make the U.S. whosh into an all-out war basis:

(1) Russia could force our hand by direct attack on us or our major allies.

(2) The controls that Truman proposes could prove inadequate even for the needs of a limited military program.

(3) The additional military demands could start a whirlwind inflation. Washington would have to clamp down to protect the country from buying itself crazy.

I. Squeeze on Civilians

Even limited mobilization is going to hurt. Businessmen and consumers will feel the weight of the new war program faster than they did when we started the buildup for World War II.

• **Trial**—The reason is that we are trying to do something that has never been done in modern history. We are trying to squeeze a major military program out of a civilian economy that already is going full blast.

In 1939 and 1940, there was slack all through the U.S. economy—in materials, manpower, capacity. This slack let us mobilize the easy way. We fought World War II with a rising standard of living. We could buy our way through the war because the goods were there.

Now, there is no slack in the system. When the government bids for goods, it is bidding against consumers. The only way it can be sure of getting the goods is to take them away. And when it takes them, it leaves a vacuum that starts an inflation.

That's why the \$10-billion in extra military money that Truman wants will

have an impact out of all proportion to its absolute size. It is why any mobilization for a really large program will have to be founded on outright compulsion—not incentives.

• **Choice**—The inflationary dangers of limited mobilization are obvious. But Truman chose the halfway approach deliberately. In part, he was probably thinking of the country's reaction.

But there's also a good strategic reason for trying the piecemeal method, even with all its dangers. All-out mobilization is exhausting. A country can stay keyed up to a war basis only so long. And there isn't any war yet—nor will there be unless Russia starts one. If we went on an all-out basis now, the Kremlin could keep us dangling for years and laugh its head off at the spectacle.

II. Limited Mobilization

Business, then, must plan to live within a limited mobilization program for the time being. And it must always keep in the back of its mind the possibility that we may shift overnight to all-out war.

Nobody knows yet just what life will be like under partial mobilization. Truman is extemporizing. He has asked for—and almost certainly will get—authority to do these things:

• **Spend another \$10-billion** for defense in the current fiscal year—on top of the \$13-billion already pending for the military establishment.

• **Set up priorities and allocations** for scarce metals. To back up his priorities powers, Truman also wants authority to slap limitation orders on the use of scarce materials. In this way, he could curb output of nonessential goods that compete with military demands.

• **Prevent inventory hoarding** and

requisition stocks of scarce materials. This means inventory controls, backed by seizure powers.

• **Make loans and loan guarantees** to increase production. Truman sent to Congress a draft of a bill, authorizing a Treasury advance to RFC of \$2-billion to make direct loans to business for expanding capacity of needed production and to develop strategic materials. This is in addition to the \$10-billion direct appropriation he asked.

• **Make long-term contracts** and other commitments to encourage production of scarce materials.

• **Apply credit controls** to instalment sales, commodity speculation, and mortgage money.

• **Program**—Government spending will rise as this new program gets under way. Deliveries on existing contracts will be stepped up first. Then new contracts with short delivery dates will go out. Demothballing of military equipment will pick up speed.

Existing government agencies will handle all the controls under Truman's limited plan. The Commerce Dept., for instance, will play a big part. Plans already are completed showing how the work is to be parceled out, what new divisions will be needed, and just how many new employees will have to be hired.

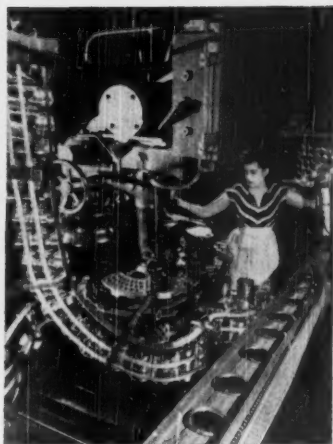
The National Security Resources Board won't do any direct managing. Its chairman, W. Stuart Symington, pictures it as a purely planning and advisory agency.

• **Credit**—Inflation control under Truman's program is a credit program pure and simple—no price control, no rationing, no restrictions on wages.

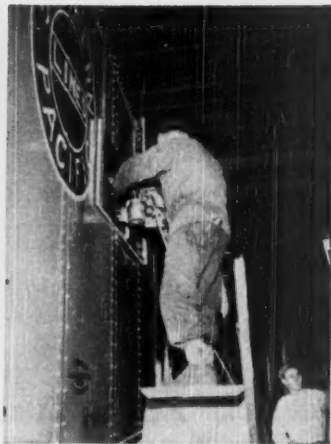
By taking this tack, Truman has staved off a lot of opposition. He has also opened the door to a lot of trouble. Checks on consumer credit may take a



2. Construction



3. Containers



4. Railroads

little of the pressure out of demand. But they won't stop inflation if there is any real cut in the quantity of consumer goods.

• **Manpower**—There's nothing about manpower controls in the limited mobilization program. The only pressure will be the indirect effects of the draft. Deferments will be granted for workers in essential jobs, denied nonessentials. But the draft will hit only those under 26. And that group doesn't include many workers with scarce skills.

III. Total Mobilization

If the limited mobilization works, it will stay in effect until Russia forces the issue—or until we finally reach some long-term settlement with the Communists.

If the limited program fails—or if Russia attacks—we will switch to an all-out mobilization. In many respects, this will bring fewer problems than the halfway measures.

• **Bill**—The Administration already has an emergency powers bill, drafted months ago, ready to slam through. It creates legal authority for control of production, manpower, prices.

A law, of course, is just the beginning. It has to be administered by proper agencies and backed by regulations. NSRB has plans for setting up a whole battery of emergency agencies, complete with organizational charts.

Some orders and regulations are written and ready to publish if necessary. And NSRB has built up files of analyses and study on basic problems that would have to be met. These files include revised drafts of the regulations that were used in World War II. But many of the old regulations wouldn't be tight enough to do the job this time. They were written for a peacetime economy

that had some elbowroom left in it.

• **Beyond CMP**—Materials control in total mobilization would start where the Controlled Materials Plan of the last war left off. The basic idea of CMP was that you can control production by carefully regulating the flow of certain key materials. In World War II, the War Production Board worked with three metals—steel, copper, aluminum. It kept tabs on every ton of these metals at every point along the line. And because these metals are the common denominator of industrial production, regulation of them was tantamount to controlling industry.

CMP almost certainly would be broadened the next time. Some important chemicals would be added to the list of controlled materials. And there would be specific controls for critical items such as electronic equipment.

Export and import controls on strategic materials would back up domestic controls. Sweeping priorities, conservation, and limitation orders would supplement the basic CMP regulations. So would control of stockpiles.

• **The Human Element**—Manpower controls would be the overriding problem of total mobilization. There is no pool of unemployed to draw on. And there are few nonessential industries that the producers of military goods could raid for additional workers.

Some sort of national service law to put workers into industries where they are needed—would be almost inescapable. But the planners still haven't decided what course the U.S. should take.

There is no plan yet for a war labor board, such as the one we had in World War II. But a study has been started.

Strikes in wartime probably won't be

tolerated. In World War II, almost all the strikes were called over pure labor disputes. Next time, you have the Commies to cope with besides.

• **Money**—Inflation probably would be the No. 2 problem in a total mobilization.

Any effective price and wage control system for World War III would have to be a lot tougher than the last one. The price and wage freeze of World War II was a delaying action.

Next time, the stall technique won't work. Too many people know about it. And there is no telling how long the price-wage line will have to be held.

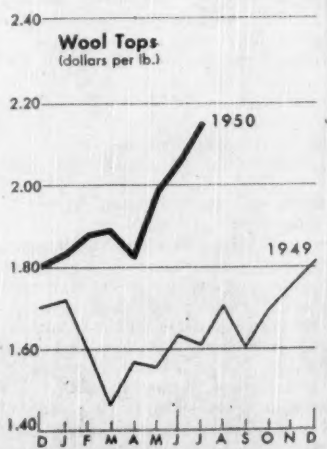
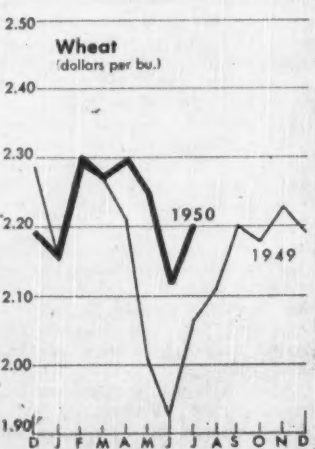
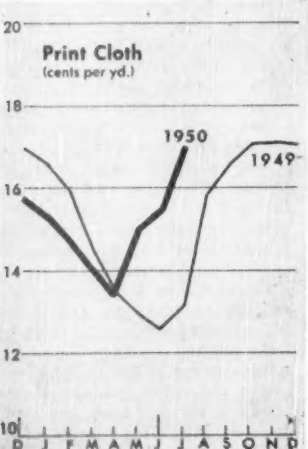
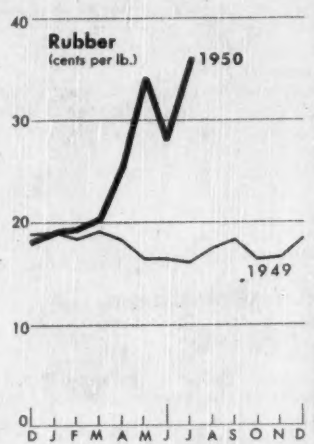
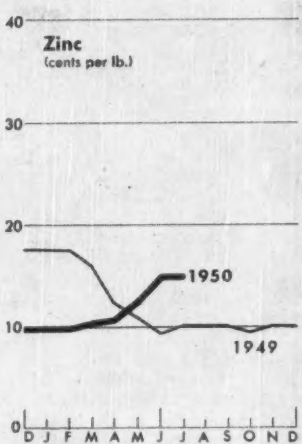
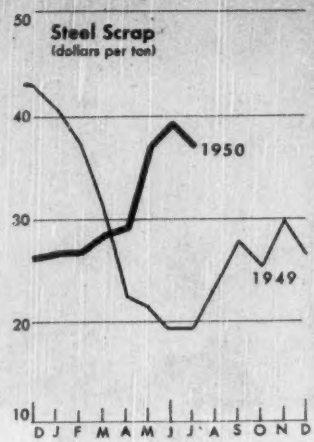
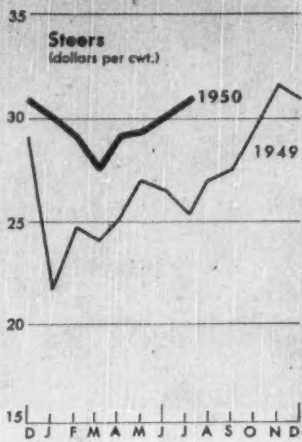
Wages already are geared to the cost of living, through the General Motors-UAW contract which will be a goal for many other unions in a time of rising prices. Hence, any realistic policy will have to start with the idea of slapping on a price freeze that would stick. And one thing is sure: It won't be possible unless price controls are backed up by measures to sop up the extra purchasing power of consumers.

• **Taxes**—Higher taxes are a certainty. During limited mobilization, the Administration's idea is to pay as we go. During an all-out war, it would try to finance 60% of the cost out of taxes, 40% out of borrowing (instead of only 40% from taxes as we did in World War II). That would mean the biggest tax load in history.

Forced savings would be another way of tying up consumer buying power. It's a better-than-even bet if we go on a war footing.

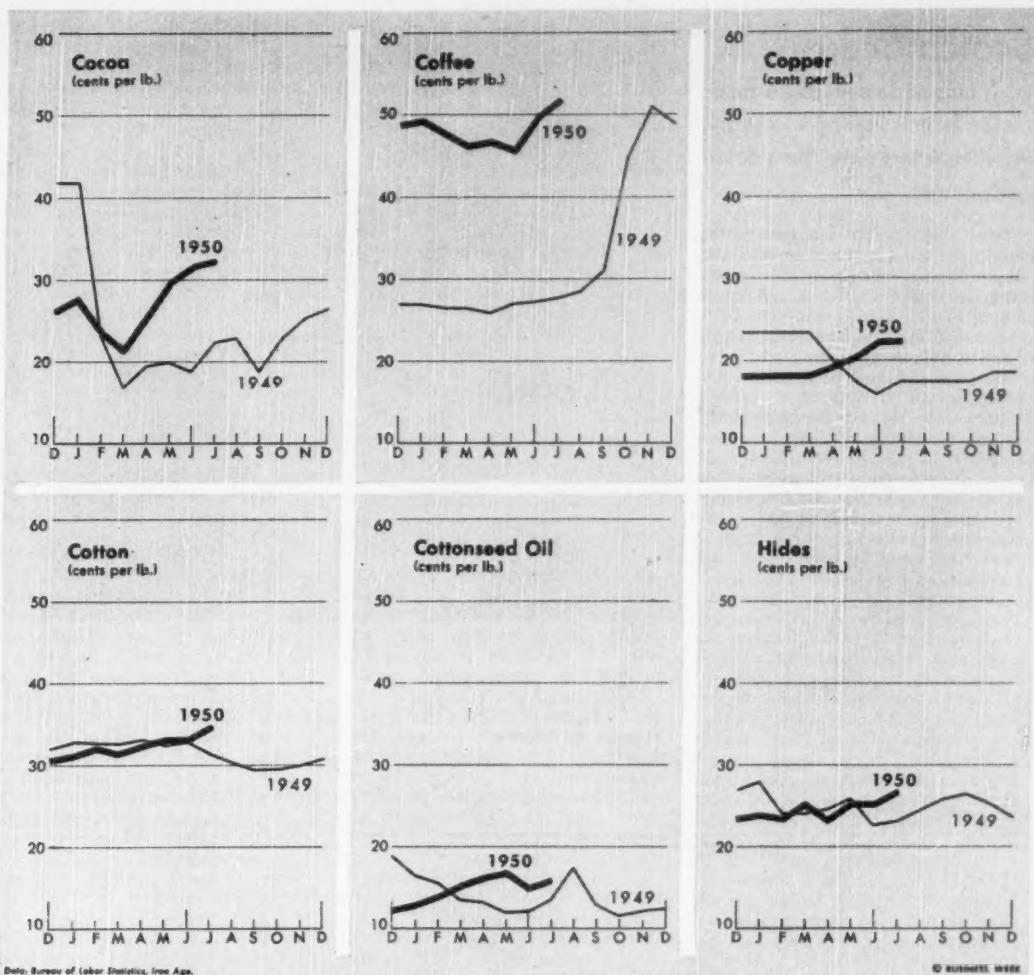
• **Protection**—Civilian defense will be a grim and serious business in another war. For the first time, the threat of attack on U.S. cities is a real possibility.

This time, an air raid warden won't be a joke.



Data: Bureau of Labor Statistics, Iron Age.

© BUSINESS WEEK



Everywhere, the Price Trend Is Up

High and pointing higher. Those are the adjectives that fit commodity prices best this week. No obstacle loomed, except, perhaps, ceilings and threats of ceilings.

• **Back to 1948**—Take, for example, the wholesale price index of the Bureau of Labor Statistics. This broad, slow-mover, covering about 900 items, now is back exactly where it was at the end of 1948. It has regained two-thirds of its losses in the 1948-49 "postwar shake-down" and is within 3% of the postwar peak. It's 119% higher than just before World War II broke out, 45% higher than in the last days of OPA.

Washington can't blame speculators for most of the advance—nor for the underlying factors that caused it.

• **First and foremost**, prices have been rising ever since early this year because industry's appetite for raw materials is bigger than supplies.

• As business activity rose, stocks had to be increased just to stay even with production needs.

• At the same time, the stockpilers have been trying increasingly to build supplies of critical materials.

• Finally, the Korean crisis turned farm surpluses from a burden into something that looks very much like a desirable reserve.

• **War Boost**—Given such pressures under prices, it wouldn't be surprising if smart traders bought on the war news. It just about guarantees them profits.

Yet the main ingredients of the price

boom remain (1) the high level of business, and (2) the certainty that onto this will be piled a still unknown quantity of munitions orders (page 19).

• **Metals Behind**—Surprisingly, few of the metals have been leaders in the advance. Producers of copper and zinc, for example, seem to think that prices are pretty high now; they aren't eager to invite controls by letting them go higher. Steel makers, too, have held the line on base prices for carbon steel.

Lead, depressed earlier, has risen 1¢ a lb. on renewed demand at a time when imports were slackening. And tin has shot up wildly.

Cotton leads the rise in farm products. The surprisingly small acreage planted this year is the main factor.

Scotch Scare

Liquor dealers make panic run on Scotch, fearing war shortage. Importers slow them down with quotas.

Scare buying has hit the Scotch whisky market. Consumers aren't doing it; retailers and wholesalers are. Liquor dealers remember the shortage of Scotch during World War II—and how much they could have sold if they had it. They're not taking any chances now. The worse the news from Korea, the faster they try to stock up.

• **Slowdown**—Much as the importers of Scotch liked to see the added business, they had to slow it down. Last week, they slapped on wartime allocation schedules to make sure they had enough on hand for everybody—especially for the less apprehensive customers who were continuing to place normal-size orders.

As soon as the Korean emergency began, extra orders piled in on importers from all parts of the country, even from areas in Montana and the deep South where importers ship ordinarily little or no Scotch at all. Some retailers wired in to double and quadruple their regular orders. Though July is usually a slow month in the liquor business, orders so far this month have been coming in as fast as they do in November and January, the trade's busiest time of year.

• **No Need**—Importers insist that all this inventory building is unnecessary. Supplies of Scotch in Britain are adequate to meet any likely demand over the next few years, they point out. And they don't think there's likely to be any interruption in the flow of these goods over the Atlantic. Since Scotch whisky has been a dependable dollar earner, Britain has made liberal allocations to the U.S. market.

Importers don't think that the new buying rush is any sign of heavier Scotch drinking. It's merely a bunching up of orders that normally would have been spaced over the coming months. During the first four months of this year, Scotch consumption was running about the same as it was over the same period in 1949: at a rate of about 7.5-million gal. a year.

• **Lag in Domestic**—Domestic distillers are not too happy about the rush on Scotch. Since retailers are overbuying imported whisky, they are likely to underbuy domestic whiskey to keep within their budgets.

Over the past year, dealers have generally been buying domestic brands on a cautious, hand-to-mouth basis. Even a war scare isn't likely to change that.

Dealers know that there's plenty more to be had. Warehouse stocks have been climbing to new peaks month after month. On May 31, stocks amounted to 637,409,725 gal., enough to supply demand for at least eight years at the current rate of consumption—about 75-million gal. a year.

Until the Korean crisis, distillers were plenty worried about this rapidly growing inventory. It had already begun to exert downward pressure on prices. Now the attitude toward inventories is reversed. The industry knows that in the event of a full-scale war, it will be converted 100% to alcohol production.

Chill on Housing

Truman cuts mortgage insurance, hikes down payments, limits public housing to save materials and check inflation.

President Truman has pricked the housing bubble. Until last week, it looked as if this year couldn't miss breaking the record in housing starts. With 687,000 starts in the first six months, the experts foresaw an easy 1,250,000 starts for the year. They don't any more.

• **Harder to Sell**—In a series of directives mailed at midweek to government housing and credit agencies, Truman made houses much harder to sell. In three swings, he (1) sliced down government mortgage insurance, (2) raised the down payments on new houses, and (3) limited starts of public housing.

Truman's reason, of course, was the Korean crisis. As he wrote, "... it is already clear that ... many materials used in residential and other construction will be required ... for national defense purposes. ... These increased demands will aggravate inflationary tendencies ... unless positive actions are taken to reduce pressures in residential construction."

• **Insurance Cut**—The first positive action was to cut mortgage insurance. In a letter to Housing & Home Finance Agency Administrator Raymond M. Foley, Truman sliced in half the authorized increase in volume of mortgages that could be insured by FHA. In the housing act of 1950, Congress authorized an increase of \$1,250,000,000. Truman approved an increase of only \$650-million.

• **Down-Payment Hike**—Truman raised down payments on houses by several means. First, for purposes of appraising property for mortgage insurance, he set the construction cost as of July 1, 1950, as a ceiling on valuations. A house completed next December might cost say \$15,000. In appraising it for mortgage,

however, its cost will be figured on the basis of prices of materials on July 1, 1950. Figured that way, the cost is likely to be lower, the mortgage coverage lower, and the buyer's cash down payment higher.

Further, veterans will no longer be able to get 100% home loans from the government. From now on, Truman says, the GI must make a cash down payment of at least 5% on his home. For the non-GI, FHA borrower, Truman has cut the maximum amount of mortgage insurance allowable on a property by 5%, thus requiring the purchaser to increase his cash down payment. FHA has already wired its field offices to cut the maximum mortgage permitted on one- to four-family units from \$16,000 down to \$14,000.

Truman also directed FHA to require a 10% cash down payment on repair and modernization loans—effective Aug. 1. Before this, no down payment on this type of loan has been required.

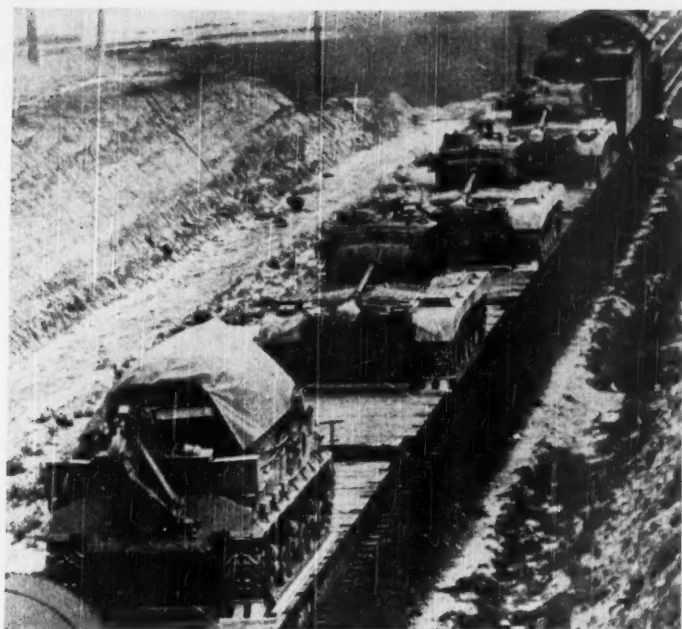
• **Limit on Starts**—On the big six-year public housing program, just getting under way, Truman asked Housing Administrator Foley to limit starts in the second half of the year to 30,000 dwelling units. Up to June 30, slightly more than 3,000 units had been started, and the Public Housing Administration expected to have some 50,000 under construction by the end of the year. Truman asked Foley to reexamine the whole public housing program in the light of the Korean situation.

Direct loans to educational institutions for student and faculty housing have been suspended by the President's order. Congress recently authorized \$300-million for such loans (BW-Jul. 8'50,p26), but no commitments have yet been made, and none will be.

Truman also reduced credits by the Federal Home Loan Bank to member institutions for expansion of their business. The bank board instructed its regional banks to cut the maximum line of credit for this purpose from 50% to 30% of the member institutions' borrowing capacity. This regulation will have only minor local effects, as borrowings of the savings and loan associations have been small.

• **Watch It in General**—Finally, in broad terms, the President instructed both HHA and VA to take such further actions as may be necessary to curtail use of materials needed for defense.

Chairman Harley Hise of RFC, parent agency of the Federal National Mortgage Assn. (Fannie Mae), got additional orders. He is to reexamine regulations "to make sure that further mortgage purchases are held to the irreducible minimum." As the big federal secondary market for FHA and VA mortgages, Fannie Mae already has stiffened its rules once.



MARINE TANKS head for seaport, bound for Korea. But would railroads have . . .

Enough Cars for Total War?

Probably—because there are more freight cars than at the start of World War II. But more are over 25 years old now than then. And there are fewer passenger cars.

World War II put a tremendous strain on U. S. railroads. For nearly five years, every piece of equipment did about 10 years' worth of work. When it was over, a good part of that equipment—especially cars—was all but worn to a frazzle. One reason for this was that the railroads had had to use many cars that should have been scrapped at just the time that they went into some of the hardest service of their careers.

• **New Alarm**—This week, the threat of another major war has some transportation men worked up over the 1950 railroad equipment setup. As they see it, the railroads are much worse off now than they were at the start of World War II.

Offhand, there doesn't seem to be much reason to worry about the railroad car situation. U. S. railroads have more freight cars on hand today than they did at the start of World War II. In 1941, all railroads and private car owners had a total of 2,037,078 freight cars. At the end of 1949, they had an estimated 2,065,600, or roughly 30,000 more.

• **Old Age**—But there's a big catch: Today, more than one-third of all U. S.

freight cars are more than 25 years old. At the start of World War II, less than one-quarter were over 25 years of age. And the average age of all freight cars today is about 20 years.

In passenger cars, the situation looks even worse. In the past two years, the railroads have received 1,500 new passenger cars—which accounts for the use of more and more streamlined trains. But at the same time, they have scrapped 3,000 old cars—leaving a deficit of 1,500.

To the skeptics, this means that the rigors of railroad civilian travel during the last war would look like a dream world compared to what it will be in the next. The least that could happen, they say, is that passenger travel would have to be rationed as strictly as airline travel was in World War II.

• **The Brighter Side**—There's a lot to offset this gloomy view—especially in the freight-car picture. For one thing, U. S. roads have put in 300,000 new freight cars, rebuilt 400,000 more since the end of World War II. And the Assn. of American Railroads points out that under wartime conditions you seem to get 10% better service out of every car. That's because loadings

would be heavier, releases prompter.

The record of the last war bears this out. In 1939, 1.9-million cars moved 335-billion ton miles of freight. In the peak war year of 1944, with only a little over 2-million cars, the railroads moved 741-billion ton miles.

• **Other Equipment**—Meanwhile, the railroads have piled on lots of other new equipment since 1940—1,700 new and more powerful steam locomotives, 10,200 diesel-electric units, 13-million tons of new and heavier track, 9,600 miles more of centralized traffic control, 11,000 miles of automatic block signals.

All these things would make a lot of difference in the railroads' efficiency in wartime. And most traffic men think the roads would be able to move all the traffic that needed moving. Army Transportation Service, for example, does not believe that the roads are worse off now than in the last war. It can find no reason why the railroads won't come through in any new emergency as they have done in the past.

• **Less Confidence**—Other government people are less confident. Col. J. Monroe Johnson, head of Interstate Commerce Commission, has long advocated a government stockpile of freight cars. If things get tight, he may get it. AAR may use this threat to persuade member roads to buy more themselves when it meets with them on July 28. AAR has long been worried about the freight-car situation and is expected to tell the roads to place their orders—and big orders—right now.

Why haven't the roads replaced their old cars at a faster rate since the war? The main answer comes back to the same old thing—not enough money. And a lot of the money they have spent has gone for new passenger equipment. (This is an expensive item at best, but the car builders claim that costs could be cut way down if the railroads would let them standardize. As it is, almost every new streamlined train is different from the last one.)

• **Inquiries Rise**—But in recent months, freight-car orders have been rolling in to car builders at a pretty good clip. As of July 1 of this year, the builders had a backlog of unfilled orders of 40,585 freight cars. Since the Korean war started, inquiries from railroads have been pouring in—although there so far have been few new orders.

The reason for this is that the railroads know that if they are going to get any new cars they will have to get them before there is a real economic mobilization. For during wars, car builders turn almost 100% to the manufacture of war materiel—tanks, bombs, shells, guns. On top of that, of course, would be shortages of materials. Already in fact, this is becoming a problem: Steel for freight cars may be hard to get within a very short time.

How About Tools?

Washington figures there are enough machine tools for the present. But the builders want their status clarified.

Machine tools aren't going to be any bottleneck in the limited mobilization the country is starting on. There will be a problem, though, if we switch to full war without advance notice.

During the last war, the U.S. machine-tool industry had time to get ready before the rest of the economy started booming. When the war broke out in 1939, the industry had plenty of unused plant capacity by peacetime standards. So when British and French orders started pouring in, it had some room to turn around.

Orders during the last quarter of 1939 were enough to give the industry the biggest year it ever had up to that time—\$200-million. So the industry more than doubled the previous year's output to rack up \$440-million.

• **Tripled Size**—All this time, machine-tool builders were expanding their capacity. Even the French and British were financing new machine-tool plants here. As a result, by the time Pearl Harbor came, the industry had tripled its output over 1939. By the end of 1942, machine-tool output hit its peak, and from then on it tapered off steadily.

About a year ago, the industry was at its postwar bottom. It has bounced back quite a bit since then. Some builders are even working overtime to supply demand. But this is strictly civilian business—plant expansion and replacement orders.

So what the machine-tool builders want to know is: Where do we stand vis-a-vis a full-scale war, and what is our status in the interim? They warn that they aren't ready to go into a major conflict without a lot of advance notice. And so far they haven't got it.

• **Phantom Orders**—True, the National Security Resources Board started laying some groundwork about a year ago. NSRB passed out about \$750-million worth of "phantom orders" covering about 100,000 machine tools. (These orders are on paper only, do not call for actual production or delivery; but NSRB can convert them into the real thing at any time.)

NSRB figures that once builders are given the O.K. they can fill the orders in a matter of six to 12 months. The builders don't agree. They think it will take them as long as 18 months to fill many of the orders. They expect to run into big manpower and plant bottlenecks. The kind of labor they need, they say, is now scattered all over the

country. It will be tough to assemble proper work forces.

• **Need Help**—They figure NSRB ought to be doing something to help them get set for any real war rush, if it comes. But it doesn't look as though NSRB has anything like this in mind yet.

• **Stockpiles**—But the situation really isn't too grim. Unless mobilization goes beyond the Korean stage, the need for new machine tools for war production won't be very big. Besides, if a full-scale emergency does develop, machine tools can be drawn from the Industrial Equipment Reserve at first. This is a collection of about 100,000 tools owned by the armed forces. Some are in good shape, others aren't.

In addition, there are thousands more of government surplus tools scattered around the country in standby plants and in use. Nobody knows how many there are or where all of them are. But if the situation gets hot, it's likely that a lot of them will be located and put into operation again fast.

But the industry would still like the government to show its hand a little more. It thinks Washington is counting heavily on the reserve of tools left over from World War II. If there's to be a big war demand, the industry wants to be set. If that's quite a way off, the industry wants to get on with its sales drive to sell the U.S. new tools for better civilian production, more economy. Much of the current boomlet is due to this sales drive.



The Big, New Giant Size

Television tubes are getting bigger and bigger. Du Mont Laboratories has come out with a 30-in. direct-viewing tube that it says gives an image comparable to home movies. Here you can see how it compares with a 19-in. tube, Du Mont's previous giant.

New Reuther Plan

UAW chief calls for \$1.3-trillion, 100-year peace drive, an expanded Point 4 and Marshall Plan. Political bid seen.

UAW's Walter Reuther has another plan. In this one, all the world is his province.

At the beginning of World War II, the president of the United Auto Workers (CIO) brought out the first of his series of "Reuther plans"; it dealt with a way to convert auto plants for output of war goods (BW-Jan. 4 '41, p14). The auto companies looked askance at his proposal, said it was impossible. Later, the plants were converted. Industrial people said the actual conversion was nothing like the one Reuther proposed. Still, conversion had taken place.

• **Peace Offensive**—This week, Reuther called for nothing more nor less than a total peace offensive throughout the world. This plan drew an early quota of jeers. Time alone will tell whether Reuther has grounds for his belief that he can lick the Communists throughout the world just as he licked them in his auto union.

What Reuther proposes reads like a vast extension of the Marshall Plan and Point 4. Far from talking in terms of millions, he asks the U.S. to pay out \$13-billion a year for the next 100 years. Why that sum? Because, according to his figures, that total—\$1.3 trillion—will be the final total cost of World War II to the U.S.

• **UN to Distribute**—The United Nations would handle the distribution. There would be a hooker: The money would go only to countries cooperating in programs of mutual defense and, ultimately, disarmament. If Russia agreed, the Soviet could participate as well as the western nations. The money would be spent for "improvement of living standards, including nutrition, housing, health, and education of their people."

Reuther has been mulling over the idea for some months. Now it's down on paper addressed to President Truman. UAW will soon distribute it in booklet form.

• **Political Bid?**—Until now, Reuther's plans have had to do mainly with projects that intimately concerned his union members. This one goes much further afield. For that reason, some observers feel that the red-headed UAW leader has definitely started on the course they expected he eventually and inevitably would take—to make himself a political figure as important nationally as he now is in the labor movement.



Let us shoulder your steel requirements

Our duties at Ryerson differ widely, but we all shoulder part of the same job: *supplying you with the exact steel you need exactly when you need it.*

Whether it's answering your call with a smile . . . checking for proper analysis of your steel . . . cutting or otherwise preparing your steel accurately to specification . . . delivering swiftly to your door . . . we all work shoulder-to-shoulder to take care of your every steel requirement.

Though heavy demand may still cause

some shortages, our stocks remain the nation's largest. May we serve you the next time—any time—you need steel?

PRINCIPAL PRODUCTS

CARBON STEEL BARS—Hot rolled & cold finished

STRUCTURALS—Channels, angles, beams, etc.

PLATES—Sheared & U.M. Inland 4-Way Safety Plate

SHEETS—Hot & cold rolled, many types & coatings

TUBING—Seamless & welded, mechanical & boiler tubes

ALLOYS—Hot rolled, cold finished, heat treated

STAINLESS—Allegheny bars, plates, sheets, tubes, etc.

MACHINERY & TOOLS—For metal fabrication

JOSEPH T. RYERSON & SON, INC. PLANTS AT NEW YORK • BOSTON • PHILADELPHIA • CINCINNATI • CLEVELAND
DETROIT • PITTSBURGH • BUFFALO • CHICAGO • MILWAUKEE • ST. LOUIS • LOS ANGELES • SAN FRANCISCO

RYERSON STEEL



"Now let's see, Mr. Jones—
72c should cover the lemons, sugar and ice
you'll need. Do our figures agree?"

Owners of small businesses are important people. The Pennsylvania Company recently started a new Term Loan Plan expressly for them, and the response has been enthusiastic! We think it's because here—and in every part of our organization—we've tried to maintain a genuine, personal interest in each individual customer. A good reason why we're serving more people more ways than any other Philadelphia bank.

THE PENNSYLVANIA COMPANY

for Banking and Trusts

Founded 1812

19 OFFICES
PHILADELPHIA

Member Federal Reserve System • Federal Deposit Insurance Corporation

BUSINESS BRIEFS

The copper import tariff will come off again (BW-Mar. 4 '50, p9). The House Ways & Means Committee has O.K.'d a bill to suspend it retroactive to July 1. The tariff had been suspended since 1941, but went back into effect at the end of June.

Hawaiian Pineapple Co. is suing American Can for \$5-million. It charges that American violated a contract by selling cans to other Hawaiian users at lower prices and by not passing along to Hapco money it saved buying and shipping Hapco's tinplate. American supplies all the islands' pineapple cans.

Auto tires are up again. Firestone started with a 6% to 12½% boost on original equipment tires. General followed suit. The rest of the industry sat tight. Then Firestone and General boosted replacement tires 5% to 7½%. Then Good-year, Goodyear, and Sciberling did, too. The rest of the industry will be along soon.

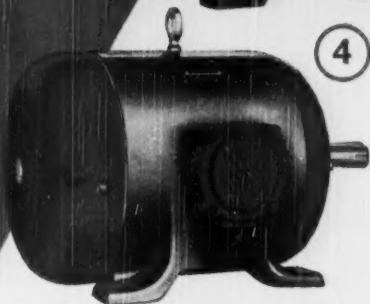
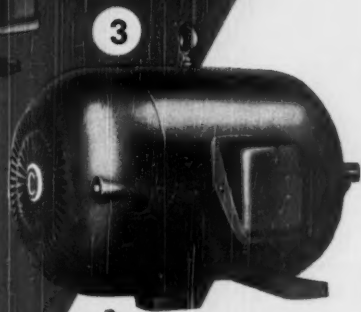
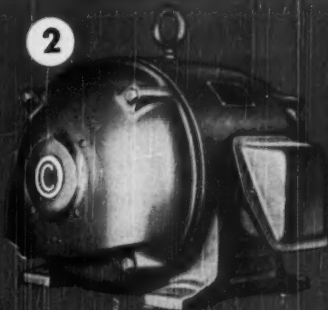
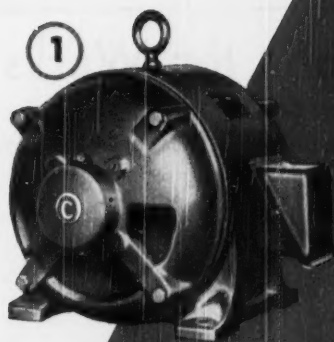
Gasoline is up, too. Standard Oil of Indiana boosted wholesale price 14¢ in the Chicago area; Esso Standard upped prices in the East 0.2¢ to 0.5¢.

Postmen must call twice in Oak Cliff, Tex., Dallas suburb. A federal court upheld a businessman who claimed his business suffered because he was only getting one delivery a day while the Dallas business district got three. The Post Office Dept. is appealing the case.

PanAm merger with American Overseas Airlines finally went through on a Truman-ordered compromise. Nobody's completely happy about it. PanAm wanted exclusive rights to London; now has to share it with TWA. TWA always opposed the merger; is only partly appeased by its new London route. And it doesn't like the idea of sharing Paris and Rome with PanAm.

Florida's new fair-trade law, to replace an earlier one that was declared unconstitutional, was itself held unconstitutional by a state court.

Southwestern Power Administration signed a 20-year contract with two big Oklahoma utilities, Oklahoma Gas Electric and Public Service of Oklahoma (BW-Feb. 4 '50, p21). The utilities will distribute SPA power to federal preference customers: rural co-ops, municipal and other government installations. Final draft compromised the earlier dispute over compensation to the utilities for customers lost to federal power.



Century PROTECTED MOTORS

Let You Forget About Atmospheric Hazards

Shown here are four basic types of Century Protected Motors which are designed to resist the dangers of hazardous atmospheres. A properly selected Century motor—with the right protection—is the ideal combination for a long life of satisfactory performance.

- 1 Open Protected**—Form J, general purpose motor—meets the needs for most installations where operating conditions are relatively clean and dry. The top half of the motor frame is closed to keep out falling solids or dripping liquids.
- 2 Splash Proof Motor**—gives the necessary protection where plants must be washed down—keeps water out of the motor even when a hose is applied directly on the frame. It also provides protection

against rain, snow, sleet and ice for outdoor installations.

- 3 Totally Enclosed Fan Cooled Motor**—protects against dusts, mist or fog that might be detrimental to the vital parts of the motor. The inner frame protecting the motor is sealed to keep out harmful matter.
- 4 Explosion Proof Motor**—protects against atmospheres charged with explosive dusts or gases. They carry Underwriters' label for specific kinds of hazards.

Century builds a complete line of alternating and direct current motors in a wide range of types and kinds—in sizes from 1/6 to 400 horsepower.

Specify Century motors for all your electric power needs.

Popular types of standard ratings are generally available from factory and branch office stocks.



CENTURY ELECTRIC COMPANY 1806 Pine Street • St. Louis 3, Missouri

Offices and Stock Points in Principal Cities



"We had to make a quick credit decision on a New York State customer. Sure... we had figures... but we wanted the personal side of the risk. Fortunately..."



...first-hand knowledge of this businessman was available from our bankers —Marine Midland."

At your fingertips is a wealth of personal knowledge of the New York State market—when your company banks with The Marine Midland Trust Company of New York.

The 102 Marine Midland banking offices serve 49 New York State communities. Their directors and officers know local business, and the people in it. Let us show how this knowledge can help you in many ways.

The

**MARINE MIDLAND
 TRUST COMPANY**
of New York

120 BROADWAY • NEW YORK
 Member Federal Deposit Insurance Corporation

TAXES

Tax Hikes Are in the Works

But they won't come out till next year. Then Congress will begin considering a new excess-profits tax, broadening the personal income-tax base, and maybe even boosting some excises.

The Korean war means that you will be paying higher taxes sooner or later. Congress just hasn't yet made up its mind on when they will be imposed or how much higher they will be.

The Senate Finance Committee has already killed off the proposals for cutting excises that the House recently passed along to it. That's the last you will hear of tax cuts for a long time. After a while, Congress will start roughing out new revenue measures to meet the rising military costs.

The increases will probably come in stages. You will get an idea of how much as requests for more military money start rolling in.

Plenty of lip service is being paid to the idea of pay-as-you-fight war financing. Practically everybody in the Treasury, the Federal Reserve, and Congress is on record against deficit spending. But it will be interesting to see how long this view holds when pressure for really big money is turned on.

The tax experts figure they can jump today's load 25% to around \$50-billion without pinching too much. As long as it is only Korea that they are financing, this margin would see them through. If the fighting spreads, though, even higher taxes are in the cards, and a lot more borrowing as well.

• **Not Yet**—Congress isn't going to be stampeded into making a new revenue bill out of the excise-cutter the Senate Finance Committee shelved last week. New appropriations can't be spent until next spring, so tax writers can wait until winter before making up their minds.

Here's a preview of what is likely to happen to taxes as the need for cash rises:

• **Corporations**—Corporate taxes will be the first to get congressional attention. They are easiest to put over, politically. For one thing, you can squeeze a lot of revenue out of today's profits. For another, congressmen will be bending over backwards to prevent profiteering.

An excess-profits tax will almost certainly head the list. Rates probably won't go as high as the 95% of the last war—in the beginning at least—but if the going really gets tough, they are pretty sure to go high.

• **Base Uncertain**—No one knows exactly what base will be used for the tax, but the best guess is that it will be the

years 1947, 1948, and 1949, maybe with some allowance for inflation.

Later, if costs mount, you would see a hike in the regular corporate tax income—from 38% to around 45% or 50%.

Congress might throw in two incentive boosters: (1) elimination of the high "notch" surtax of 53% on taxable income between \$25,000 and \$50,000. Full graduation would be put in its place (BW—Jul. 8 '50, p. 72). (2) Accelerated depreciation for defense plants built at the government's request.

• **Individuals**—Congress would like to hold off on upping personal rates as long as possible. But they can't lag too far behind corporate boosts if money needs get really big.

You can get only so much out of the rich even if rates return to the wartime top of 91%. Any notion of limiting incomes to, say, \$25,000 won't stand much chance. That's because top congressmen figure that any absolute ceiling would kill incentives.

• **Broader Base**—The big pool still untapped can be reached only by increasing the number of taxpayers to maybe 50 million and making the lower surtax steps much steeper.

The tax writers are determined to stop any personal profiteering, too. The last war taught them that individuals made killings in real estate because of lenient capital-gains rates.

So they are thinking of plugging the loophole this way: Pick a cutoff date, say the invasion of Korea. Then slap a 90% levy on capital gains from property acquired after the cutoff but held for less than a year. For property held for successively longer periods, you scale the tax down.

• **Excises**—During the last war, Congress put excises up as far as it dared—and hasn't yet brought them down. So you can't expect much new action in this area.

Besides, excises are felt directly by consumers. Congressmen would be reluctant to step on their toes. Some have already said they would rather proceed in other directions.

But they won't be able to hold off forever. If the war situation gets worse and inflation really gets going, some new excises will have to be imposed, some old ones raised.

Our snake in the glass

Fifty million tires can't be wrong. And that's how many automobile tires we've sent your way from our natural gas wells.

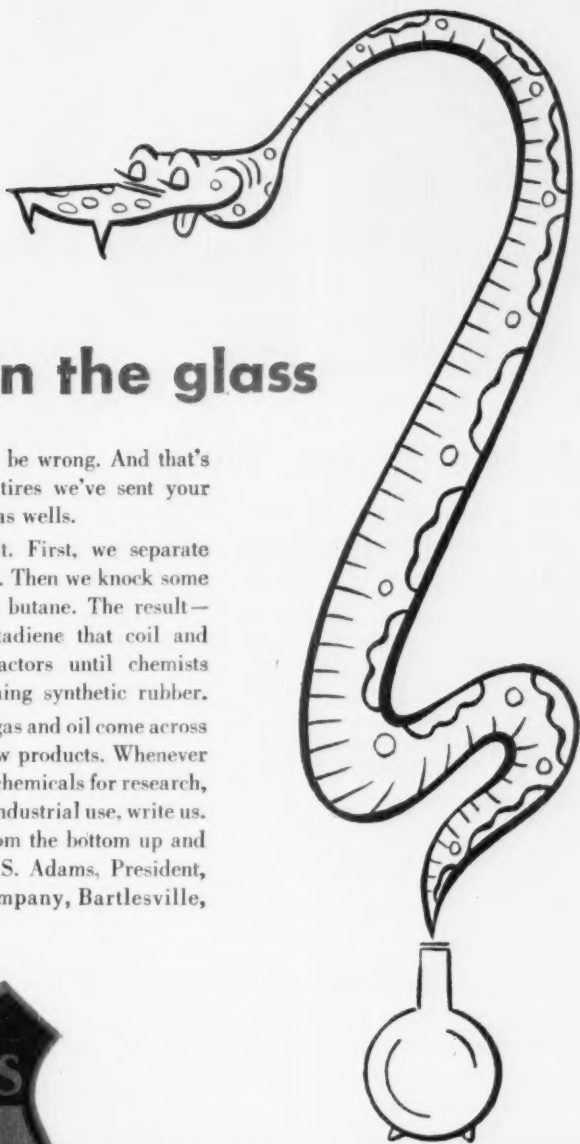
Here's how we do it. First, we separate butane from natural gas. Then we knock some hydrogen atoms off the butane. The result—chemical snakes of butadiene that coil and twist in glass-lined reactors until chemists charm them into becoming synthetic rubber.

Today, we're making gas and oil come across with many profitable new products. Whenever you consider petroleum chemicals for research, pilot plant, or full scale industrial use, write us. We know gas and oil from the bottom up and from the inside out. K. S. Adams, President, Phillips Petroleum Company, Bartlesville, Oklahoma.



PHILLIPS PETROLEUM COMPANY

WE PUT THE **POWER** OF PETROLEUM AT YOUR SERVICE



MARKETING



ORGAN, built for tabletop, and . . .



PIANO, roller variety, find ready markets.

It's Music, Music, Music

Industry reports most prosperous year in 20, with sales running 10% to 30% ahead of last year. Piano sales lead, band instruments run close second. Ukcs soar. TV and industry promotion get the credit.

Music dealers, distributors, and manufacturers are making sweet music with their own cash registers this year. At the annual trade show and convention of the National Assn. of Music Merchants in Chicago last week, all sections of the industry reported sales running well ahead of last year—by anywhere from 10% to 30%.

Music industry leaders describe their position as "the most prosperous in 20 years." They think that higher sales during the last half of the year (which are traditionally boosted by fall school-band buying and holiday giving) will put 1950's total retail sales close to 1948's peak of \$250-million.

Only cloud on the horizon: possible war restrictions on materials and production.

• **Twin Propulsion**—The industry traces its postwar upsurge in sales to two main factors:

(1) Influence of radio—and even more, of television—in creating interest in music and the desire to play a musical instrument. (The trade thinks that TV can beat radio in building a market for musical instruments.)

(2) Promotion—persistent and active—of music teaching in the schools. The industry has been pushing this program through the American Music Industry Conference, launched in 1947 (BW—Jun. 14 '47, p. 20).

The conference estimates that about

13.5% of the nation's 25-million elementary school children are now getting some music instruction through their schools. And it also finds a steady increase in the number of dealers who have adopted store-studio plans to offer adult music instruction.

• **Brisk Buying**—Buying was brisk at the show. Active retail buying and low dealer stocks were responsible for much of it. But the possibility of shortages and higher prices also induced many dealers to take on inventory.

Pianos still lead the industry, with more than 50% of its sales volume. Production of the 88-key music-makers is running about 30% ahead of last year; and sales for 1950 may even pass 1948, the best postwar piano year, when output reached 163,807 pianos. Small spinet-type pianos now account for 95% of all pianos being made.

• **Bands Up**—Band instrument production is up 20% over last year, manufacturers report, and will also exceed 1948 at present rates. Production is now concentrated largely in the low-priced beginners' and school instruments. About 82% of all band instrument sales are now to schools. Sales to professional musicians, which amount to only 18% of the total, are shrinking steadily.

Instrument makers blame this decline on the amusement tax. Their reasoning: The tax keeps a lot of people out of restaurants; thus, many smaller res-

taurants can't afford either to have an orchestra or to risk driving away would-be patrons who don't want to pay the tax. Even in New York City, only eight big hotels have dance bands at present; before the war, there were 50.

Band instrument makers, unlike the piano trade, feel that their prices are bound to rise. Brass prices are already climbing; besides, the industry fears that its wage bill might increase if the draft takes young men now working as apprentices.

• **Frets Don't Fret**—Happiest people in the industry are the makers of fretted instruments—ukuleles, guitars, etc. The swing back to the 1920's, sparked by radio-TV star Arthur Godfrey, has sent ukulele sales soaring to four or five times last year's totals. Total uke sales this year are expected to reach 500,000 instruments. At least half of them are made out of plastics and sell for as little as \$5.95.

Hard on the heels of the uke is the guitar. Its sales are estimated at about 250,000 this year—30% ahead of 1949. The guitar's growing popularity comes in large part as a byproduct of the boom in cowboy paraphernalia, cowboy music, western movies, and TV programs. Guitar prices range from \$25 to \$400.

Banjo sales are staging a limited but growing revival, too. And one manufacturer offered a banjo-ukulele to retail at the low price of \$9.95.

• **TV Cousin**—Television-set makers displayed their wares at the show, along with their radios, radio-phonographs, and phonograph records. Most TV displays were accompanied by a wide variety of merchandising aids and announcements of elaborate sales promotion plans to help push sales this fall.

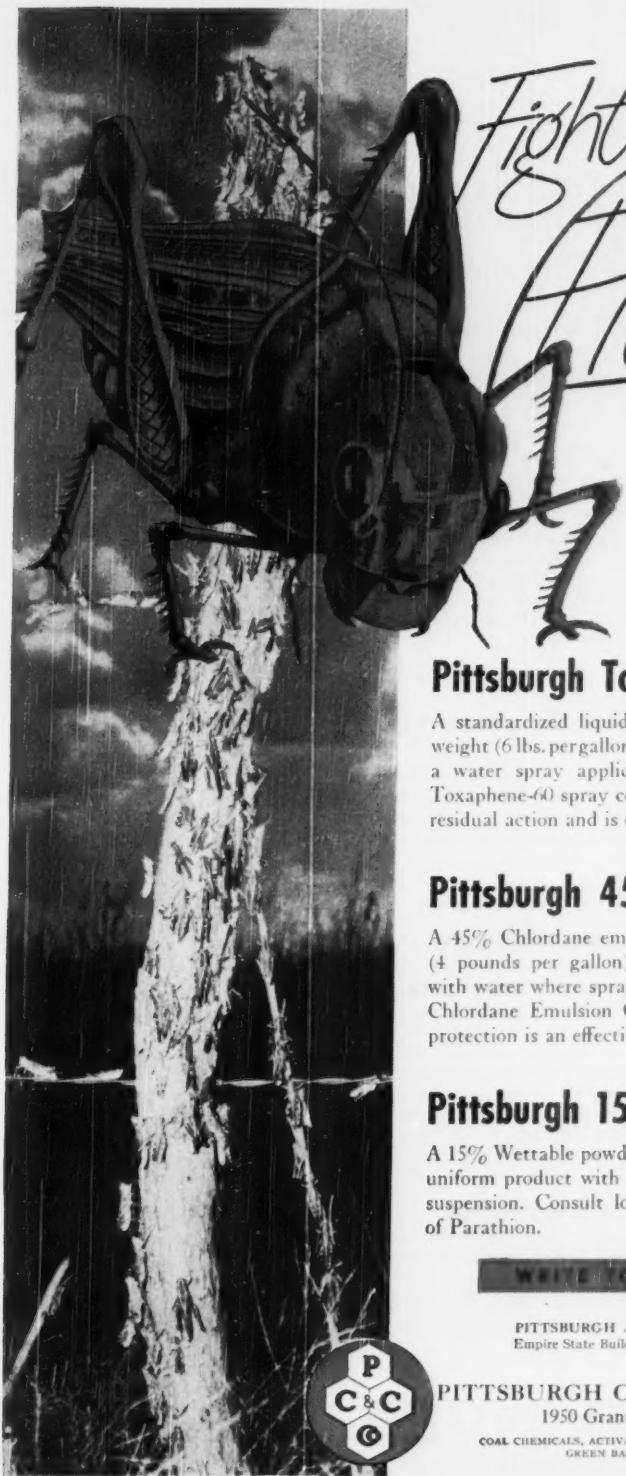
Manufacturers estimate that, even in heavy TV-broadcasting cities, markets are only 35% saturated at the most. That, along with replacement sales of new bigger-screen models, might set new sales records this fall.

• **RPM Confusion**—Most music merchants still think that public confusion over the three speeds at which phonograph records now play is holding back record sales. No sign of a pickup has appeared, in spite of heavy promotion of 45-rpm. and 33 $\frac{1}{3}$ -rpm. records. And cutting on shellac 78-rpm. discs has forced some music-store dealers to liquidate their 78-rpm. stocks altogether and go over entirely to the sale of the slower-playing records.

PRICE GUARANTEES: ENDING

You can already spot one of the casualties of the Korean situation: price guarantees. Some retailers are already seeing the end of them. But with consumers speeding up their buying, the retailers aren't worried.

The price guarantee (in which the



*Fight him these 3
Pittsburgh
ways!*

Pittsburgh Toxaphene-60

A standardized liquid emulsifiable concentrate containing 60% by weight (6 lbs. per gallon) Toxaphene, specifically designed for use where a water spray application is adaptable and practical. *Pittsburgh Toxaphene-60* spray concentrate possesses the advantages of marked residual action and is effective on a wide range of insects.

Pittsburgh 45% Chlordane

A 45% Chlordane emulsion concentrate containing 45% by weight (4 pounds per gallon) Chlordane, prepared especially for dilution with water where spraying applications are required. *Pittsburgh 45% Chlordane Emulsion Concentrate* with its residual action for long protection is an effective control for many insects.

Pittsburgh 15% Parathion

A 15% Wettable powder formulated under scientific control to give a uniform product with the ability to quickly disperse and remain in suspension. Consult local agricultural authorities concerning usage of Parathion.

WRITE TODAY FOR BULLETIN 1P31

PITTSBURGH AGRICULTURAL CHEMICAL COMPANY
Empire State Building • 350 Fifth Avenue • New York 1, New York

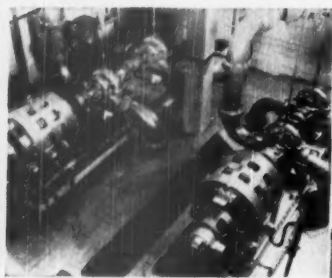
Division of

PITTSBURGH COKE & CHEMICAL COMPANY
1950 Grant Building • Pittsburgh 19, Pa.

COAL CHEMICALS, ACTIVATED CARBON, NEVILLE COKE, EMERALD COAL, PIG IRON,
GREEN BAG CEMENT, CONCRETE PIPE AND PRODUCTS

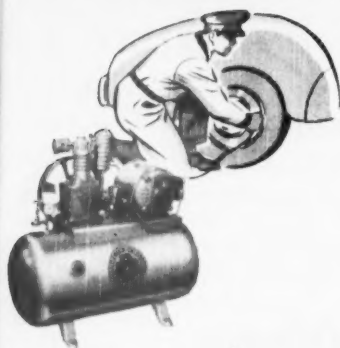


fancy meeting GARDNER-DENVER here!



**every time
you turn a tap**

Gardner-Denver Centrifugal Pumps are used in many municipal water systems. Choose Gardner-Denver centrifugals for air conditioning, irrigation, canning plants, distilleries, etc.



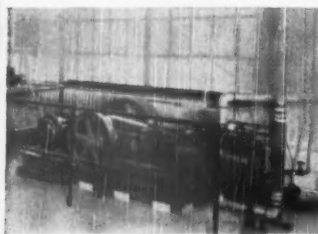
or check your tires

Your "free" air may be supplied by a Gardner-Denver Compressor Outfit—the quality compressor for paint spraying, diesel engine starting or powering small air tools.



**or change
your shirt**

Many laundries rely on Gardner-Denver RX Compressors to help speed their work. So, also, do woodworking plants, food processors, foundries, etc.



consider your own business

—keeping Gardner-Denver quality in mind—and the chances are you'll find you can use Gardner-Denver compressors, pumps, rock drills or other pneumatic equipment to your advantage. For complete information, write Gardner-Denver Company, Quincy, Illinois.

SINCE 1859

GARDNER-DENVER

THE QUALITY LEADER IN COMPRESSORS, PUMPS AND ROCK DRILLS

manufacturer promises to reimburse the retailer for his losses on inventory, should the manufacturer suddenly cut prices) had been gaining momentum for more than a year (BW—May 28 '49, p. 46). Used along with special discounts, it was a favorite device for persuading retailers to carry adequate stocks instead of trying to do business with a bare cupboard (BW—May 6 '50, p. 85).

But at the National Housewares and Home Appliances Manufacturers' Exhibit in Atlantic City last week, retailers found the price guarantee either (1) being given for much shorter periods, or (2) missing altogether.

A good many other industries are going to climb on the bandwagon, as prices go up and erase the reasons for guarantees. But you won't hear many complaints from retailers. Most of them will be too busy building up their inventories.



**Cardboard Answer to
Camera Forgetters**

The Photo-Pac Camera Mfg. Co. is basing its marketing strategy on these two irrefutable ideas: (1) that people who don't own cameras often wish they did, and (2) that people who do own cameras often forget and leave them at home when they go to the beach, the mountains, or the country.

Photo-Pac's solution: You pick up a preloaded Photo-Pac camera at the nearest drugstore, cigar store, newsstand, or other outlet; snap 12 pictures; write your name on the camera; put on a stamp; drop it in a mailbox. In a few days, you get back negatives and enlarged prints. Photo-Pac, meanwhile, reloads its plastic camera frame, recovers it with cardboard, sends it back to the retail counter.



This wire takes top honors in Chemistry!



Durable Protection. These "Green Thumb" gloves for gardeners keep out dirt and safeguard hands for many a season—because they're coated with widely useful, tough, flexible, water and chemical resistant VINYLITE Resin dispersions. By Edmont Manufacturing Co., Coshocton, Ohio.



Colorful Beauty. Multi-color printed, three-dimensional displays, easily and inexpensively formed from VINYLITE Rigid Sheets—hold their form and dimensions despite exposure to soap, water, alkalis, oils, greases, most acids. By The Halsen Manufacturing Co. for Display Features, Drexel Hill, Pa.



Versatility. Dolls are just one of hundreds of useful things molded or extruded from VINYLITE Elastomeric in any conceivable color. Others are knobs, sockets, grommets, pedals, bumpers, sleeves, handle-bar grips, etc. Dolls by Thomas Manufacturing Corp., 80 Clinton St., Newark 5, N. J.

● WHEREVER CHEMICALS ABOUND, as in chemical plants, dairies, breweries, seaside areas, mines, well holes, the new Type AZ Cable insulated and sheathed with VINYLITE Brand Plastics is winning top-of-the-class honors!

This non-metallic sheathed cable, reinforced with glass fiber, not only resists alkalis and most strong acids, but has a phenomenal ability to withstand moisture, fungus and aging. VINYLITE Plastic has remained unharmed after seven years' immersion in water—and twelve years' burial in the ground.

In addition, it provides utmost resistance to flame, sunlight, extreme heat, cold, and abrasion.

Non-metallic sheathed cables using VINYLITE Plastic materials are smooth, small in diameter, clean to handle, easy to install, mar- and impact-resistant, and highly flexible. They slip easily through narrow spaces and around sharp corners without damage. Combining low cost with long life and dependability, these highly chemical resistant cables represent a big advance in general-purpose electric wiring.

If you have a wiring problem or wish information on the proper use of plastics for any application, let us help you with your problem. Simply write Dept. 199B outlining your needs.

Data Courtesy The Plastic Wire & Cable Corp., Jewett City, Connecticut.

Vinylite

BRAND

PLASTICS



BAKELITE DIVISION

Union Carbide and Carbon Corporation
30 East 42nd Street, New York 17, N. Y.

PAPERS that lead a tough life!



Ummm...Good! So crisp and tasty no wonder we consume such vast quantities of snack foods... humidity, the eternal enemy of crispness, was extra vicious last summer. Yet millions of bags made from Rhinelander's moisture-tight papers defied the ugly weather.

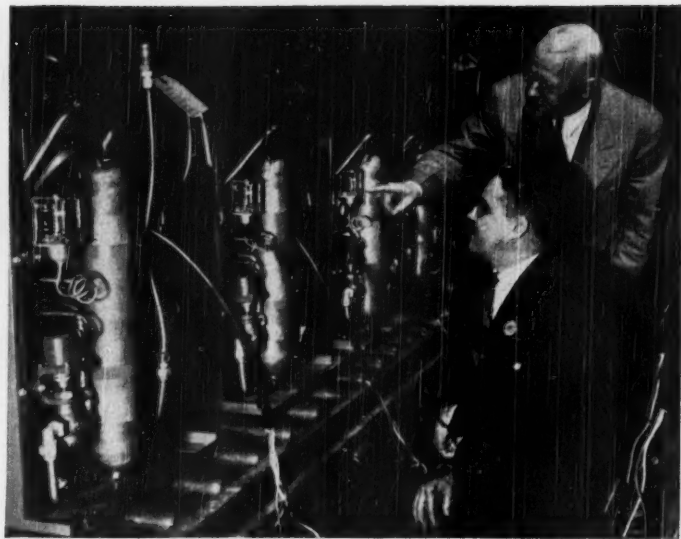


Now these clever food processors not only package you a cake ready to bake but also a perfect frosting. They take the exertion and guesswork out of the procedure. And Rhinelander G & G* Task Papers take the guesswork out of the packaging!



Comic buttons and various other small fry allure enclosed with cereal and confections boost sales enormously. Heat sealed packets made from a special Rhinelander paper separate these coveted little premiums from the products they so effectively sell.

*Glassine and Greaseproof—the functional papers that do so many tough jobs well.



YORK PRESIDENT Lauer and Sales Manager Hertzler watch production of their...

New Home Air Conditioner

York Corp. comes out with inexpensive unit designed to cool a five-room house for initial cost of less than \$1,000. Company sees a big natural market.

Few people enjoy those sweltering summer days when both the temperature and humidity hover in the middle nineties. At about 4 p.m. on any such day, almost anyone will swear that the one thing his Dream House will have is air conditioning.

• **For the Home**—Next week, York will have pleasant news for such people. It will announce that, after years of research, it has finally perfected a compact, easy-to-install, and—most important of all—a relatively inexpensive home air-conditioning unit. This home air conditioner has been a pet project of York's president, Stewart E. Lauer, (cover) from start to finish.

Called the Residential Air Conditioner, the unit will sell for under \$1,000, installed, in an average five-room house. It can be used either as a separate unit, or in conjunction with existing forced warm-air heating systems. That means, of course, that it can be used in old houses as well as new ones.

• **A Long Pull**—Cheap home cooling has long been just as much a dream of air-conditioning engineers as it has been of the average man. They have known its principles for years, yet practical application has been something else again. The two biggest stumbling blocks have been (1) to get the price

down within the reach of the average homeowner; and (2) to make the machine efficient and foolproof.

York, the world's largest maker of refrigeration, ice-making, and air-conditioning equipment, thinks it has pretty well licked both obstacles. York claims that extensive field tests have found its new unit to be as easy and dependable to operate as a home refrigerator. In fact, its cooling unit is almost identical with that in a refrigerator; it is hermetically sealed and tamper-proof. If anything goes wrong with it, the entire unit can be easily replaced.

This does away with repair jobs in the home. It also means that the air conditioner needs no elaborate preparations to shut it down in the winter or start it in the summer. All you do is flick a switch to start or stop it.

• **The Sales Outlook**—All these factors mean that York is in an excellent spot competitively. York figures that the sales outlook—barring a production foul-up as a result of military orders—is as rosy as any company could want. For one thing, there is an immediate natural market in any home, old or new, which has forced warm-air heating systems. York's conditioner can be easily attached to such a system, without structural design changes or costly building alterations. (The air ducts and furnace

Do you know this Fast-Growing Family today?

→ It's *28-Ways Versatile!*

Can these **MASONITE HARDBOARD** features make your product better?



Because of their strength, durability, and weather-resistance, Masonite Hardboards are widely used in transportation equipment.



Where resistance to scuffing, splintering and moisture is important, Masonite Hardboards have solved many a problem at a saving in cost.



Masonite Hardboards provide extra resistance to denting, scuffing, splintering and abrasion in juvenile products of all kinds.



Masonite Hardboards—in furniture assure greater structural strength—soagproof drawer bottoms—trouble-free veneering.



Because they are dimensionally stable and moisture resistant, Masonite Hardboards are ideal for products such as kitchen cabinets.



Masonite Hardboards are easily bent to form permanently curved surfaces. They are an ideal base for lamination of wood, metal or plastics.

Check for Yourself

1. Hard
2. Dense
3. Smooth
4. Grainless
5. Great structural strength
6. Uniform structure
7. Dimensionally stable
8. Resist moisture
9. Resist weather
10. Resist abrasion
11. Resist many chemicals
12. Won't split
13. Won't crack
14. Won't chip
15. Won't dent
16. Won't splinter
17. Won't absorb odors
18. Equal strength in two directions
19. Easily laminated
20. Won't rust or corrode
21. Can be punched
22. Can be drilled
23. Can be sawed
24. Can be routed
25. Can be shaped
26. Can be veneered
27. Can be die-cut
28. Take any applied finish

If you've thought of Masonite Hardboards as a *single* product—or as a small group of products—take another look! Today, there's a *whole family* of Masonite Hardboards—thirty-nine different types and thicknesses. And that family is 28-WAYS VERSATILE—to help you cut production costs . . . simplify fabrication . . . add quality and increase durability . . . for the things you manufacture.

Masonite® Hardboards are basic raw materials for a thousand industrial uses. They are made by an exclusive Masonite process which explodes wood chips into fibers . . . then bonds those fibers firmly together without glues, resins or other artificial binders. Each type of Masonite Hardboard has special properties . . . and Masonite research is constantly at work to make this hardboard family grow even larger! Find out how Masonite Hardboards can serve *YOU*. Our engineers will be glad to offer suggestions that may increase your sales and profits.

MASONITE



CORPORATION

111 West Washington Street, Chicago 2, Illinois

Masonite Hardboards . . . 39 types and thicknesses for 1000 uses.



Photo by TKM-Murray

Born to be healthy

LUCKY BABY! Never in all history has a youngster been born with better prospects for good health. For the medical profession is steadily gaining new knowledge and new weapons with which to press the relentless attack against infection and the diseases of childhood.

AUREOMYCIN, the most versatile of all antibiotics, is a new drug developed by Lederle Laboratories Division of American Cyanamid Company. Aureomycin gives the doctor control over many infections previously beyond the reach of known drugs...and spearheads the attack upon the mysterious near-viruses. This range of effectiveness against infections has proven so great that it is being hailed as the beginning of a new era in medical progress!



AMERICAN Cyanamid COMPANY

30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.

Supplying drugs, pharmaceuticals and chemotherapeutic products for the medical profession

—one of the many services of Cyanamid.

fan carry the cool air through the house.)

York sees an even more solid market in new homes. Builders, it figures, will quickly see the advantages of being able to advertise "completely air-conditioned houses" and will buy in quantity for developments. Low unit and installation cost will make this profitable for builders of homes in any price range. Since any heating contractor or plumber can make the installation, the builder will be at an economic advantage.

• **Personal Interest**—Stewart Lauer has had a personal interest in the development of this new air conditioner. With York for 39 years, he started deep down in the ranks, working for the company during high-school vacations. In 1911, Lauer was graduated among the top 12 in his class from the University of Pennsylvania. He went straight back to York and got a permanent job—finally working his way up to the presidency.

Because of this background, Lauer has a high degree of technical knowledge about the whole field of air conditioning. But he doesn't run York as a one-man operation; instead, he carefully chooses his assistants, sees that they are thoroughly trained, then lets them run their departments with a free hand. One result is that employees regard Lauer more as an unreformed engineer himself, a coach for the team, rather than as a boss in the usual sense.

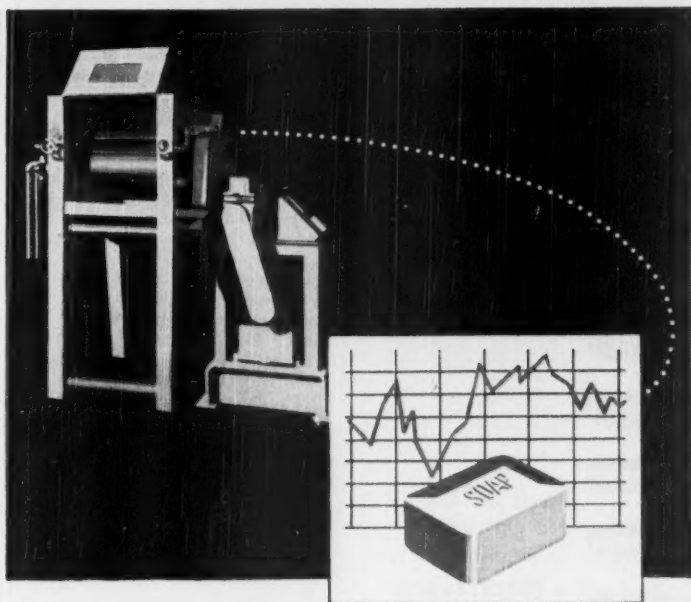
This "teamwork" approach has made for a healthy relationship between management and labor at York. In over 50 years, there hasn't been a strike of any kind. This is partly due to Lauer, who feels that he has a responsibility to report company activities to employees as well as to stockholders. So he keeps every employee advised on York's business thinking.

• **Grooming Process**—An outstanding example of Lauer's personnel development system is John R. Hertzler, York's general sales manager and a vice-president (picture, page 36). A top Lehigh University engineering graduate, he showed sales ability from the start of his career at York. Lauer noted this, but began grooming him in all phases of the business. The grooming apparently paid off. Hertzler has a reputation for being a top-flight sales manager.

Of the 76 years that York has been in business, the last 40 have certainly been the most important. For in that period, the development of refrigeration has made its greatest strides. Some have been taken by York, others by its competitors.

• **Broadening Field**—The average person thinks of refrigeration in terms of his own familiar white kitchen refrigerator. Actually, refrigeration is a fast-growing industry which is becoming more versatile all the time.

One big contribution of refrigeration



Crystal Gazing—1950 Style

One of America's largest producers of beauty soap decided to pre-test proposed new drying machinery to determine the most satisfactory equipment to use. Lukenweld was called on to design a "pilot" machine capable of adjustment to varying drying conditions, and which could be developed later into full-scale production machines. The result was this laboratory-sized drier and flaker. To test corrosion-resistant characteristics, one of its two rolls and the hood are solid stainless steel; the other roll, solid Inconel; the frame panels, stainless-clad steel. To test variations in process, its speed, gap and doctors are adjustable. Welded construction permits inexpensive alterations in design.

Maximum product dependability with minimum cost is the result of years of experience of Lukenweld engineers working with steel plate. Higher predictability, improved appearance, resistance to shock, reduced weight, increased strength and rigidity, more flexibility of machine design, reduced production costs and elimination of patterns usually result from the use of Lukenweld construction. Here at your disposal is Lukenweld's knowledge of machine design, construction and installation... plus Lukens' 140 years of experience in developing and producing specialty steels.

If you are considering new cylinder drying machinery, processing machines or other finished units, write Lukenweld, Division of Lukens Steel Company, 483 Lukens Building, Coatesville, Pennsylvania.

Improved machinery for improved processes through engineering

LUKENWELD
A DIVISION OF LUKENS STEEL COMPANY



CRIMP?

STAMP?

FLARE?

RIVET?

MARK?

SQUEEZE?

ASSEMBLE?

PUNCH?

PRESS?

1149

"CONTROLLED-AIR-POWER"
WILL DO IT FASTER, SAFER, BETTER
AND AT LOWER COST

Almost any operation requiring a "squeeze" or "impact" blow of 5000 lbs. or less can be done more economically with Bellows Air Presses. Bellows "Controlled-Air-Power" is fast, flexible, safe. Ram pressure can be as soft and light as a baby's kiss, or as sharp and heavy as a sledge hammer blow. And Bellows unique controls make sure that once set it remains the same, cycle after cycle, all day long.

Built-in speed and operating controls make it easy to synchronize work feeding and ejection devices to the air press, to make the entire operation almost fully automatic.

Bellows Air Press prices are low, too, range from \$95.00 up, depending on power and control requirements.

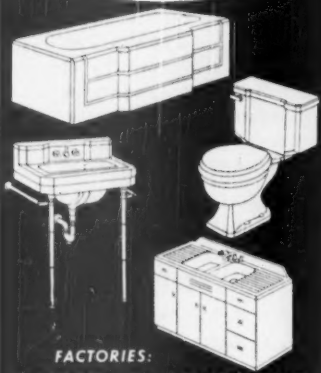
Write for Free Bulletin
761 Today

The Bellows Co.

Dept. 722 BW
Akron 9, Ohio

MANUFACTURERS OF
FINE PLUMBING FIXTURES
SINCE 1904

ELJER



FACTORIES:
FORD CITY, PA. • SALEM, OHIO
LOS ANGELES, CALIF.
MARYSVILLE, OHIO

development has been to improve industrial processes and develop new ones. For example: It has given the textile industry the temperature and humidity control essential to the manufacture of certain natural and synthetic fibers. In recent years, it has been responsible for the birth of some new industries—frozen foods, frozen fruit juice, cold rubber processing among them.

• **Military Angles**—Refrigeration also claims credit for a hand in many military developments. Temperature and humidity control are essential to the manufacture of the atom bomb. A test chamber which simulates altitudes of 170,000 ft. and temperatures 150 degrees below zero has helped engineers find out how planes and guided missiles will behave under such conditions.

One of York's recent jobs was air conditioning the penguin cage at Chicago's Brookfield Zoo. A new shipment of king penguins was due to replace an earlier group which had died from heat and air-borne spores. York designed a cage with doubly filtered dehumidified air, which would pass over germicidal lamps. The penguins thrive on it.

• **The Obsolete Weatherman**—As for the future, York is even planning to try to do something about outdoor weather. It has done a mass of research on man-made rain, hail, and snowstorms, and on the breaking-up or pushing aside of hurricanes. As a result, some York engineers believe that the days of the weather forecaster are limited. Maybe sometime not too far in the future, they say, man may be able to select the kind of weather he wants when he wants it.

MARKETING BRIEFS

Music by Muzak will soon be heard aboard planes, trains, and ships. The company has set up a tape-recording division to provide special background music where telephone line transmission is impossible.

• **Marketing information**, along with other business, technical, and professional data, may lie in one of New York City's 641 special libraries. So the New York chapter of the Special Libraries Assn. has just issued a new catalog of the material available in these storehouses.

• **A&P** boosted its sales to \$2.9-billion for the fiscal year ended Feb. 28, 1950. That's just a shade above the preceding year, when A&P sold \$2.8-billion. Earnings dropped, however, from \$38.6-million to \$33.3-million this year.

• **Housewives** make two out of every three food-buying decisions while they're actually inside the supermarket, according to a du Pont survey. Back in 1945, when the company made a similar study, only 50% of the buying decisions were made inside the store.

• **RCA-Victor** has a new idea for plugging its 45-rpm. record players. Beginning this week, each purchaser of a \$12.95 automatic record player will get one free 45-rpm. record of his own selection every month for six months.



Parking Lot for Movie Orphans

If Mom and Pop want to catch the early show at the movies, they don't have to worry about a baby-sitter—not, at least, if they live in Hialeah, Fla. On the theory that the baby-sitting problem was keeping young parents away from the movies, a Hialeah theater decided to offer free child

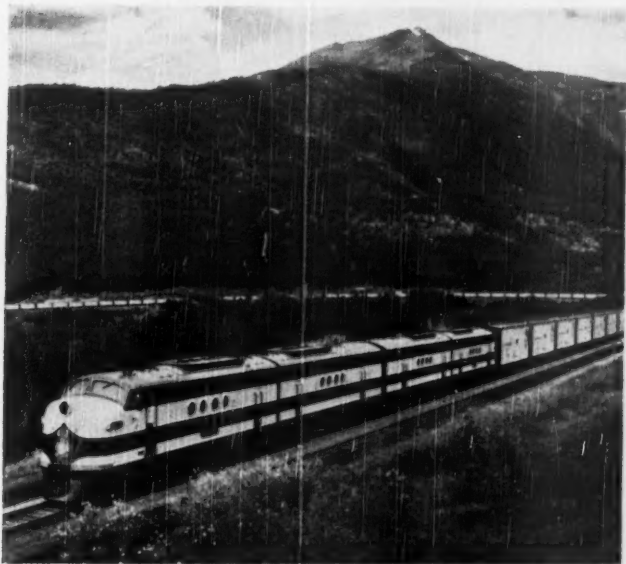


care while the parents are inside. The nursery is decorated, of course, with cartoon-comedy characters, the better to familiarize small fry with movie personalities at an early age. A nurse and experienced baby sitters are in charge of entertaining and changing parked moppets.

Progress is a Great Northern Habit...

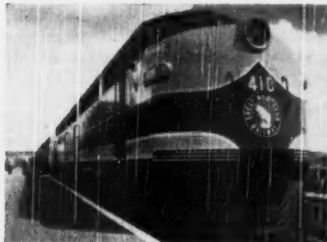
Now On Order...New, Powerful Diesels 320,000 More Horsepower For Freight Service

Extensive Dieselization Assures Increased Efficiency Under All Operating Conditions

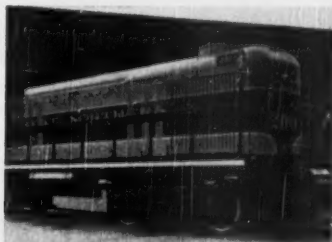


MOVING UPHILL—WITH EASE! 5,400-h.p. diesel climbs the western slope of the Rockies at Blacktail, Montana.

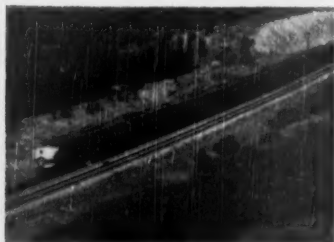
Because progress is a Great Northern habit, this railway was among the first to provide shippers the advantages of diesel-electric motive power for freight service. Diesel-electric power enables Great Northern to make longer freight runs without attention or maintenance to locomotives, and to operate with greater precision through the extremes of weather along the railway. Diesel-electric power means smoother starting, stopping, switching—all for gentler treatment of merchandise in transit.



THROUGH GLACIER PARK, America's No. 1 vacationland, a giant diesel heads westward with a freight train.



DUAL-PURPOSE DIESEL is this 1,500-h.p. locomotive, one of many utilized by Great Northern.



OVER THE DIVIDE Freight train, powered by four-unit diesel, rolls over the Continental Divide at Summit, Montana.

Your Freight Goes Great When It Goes
Great Northern Railway

Freight offices in principal cities in U. S. and Canada

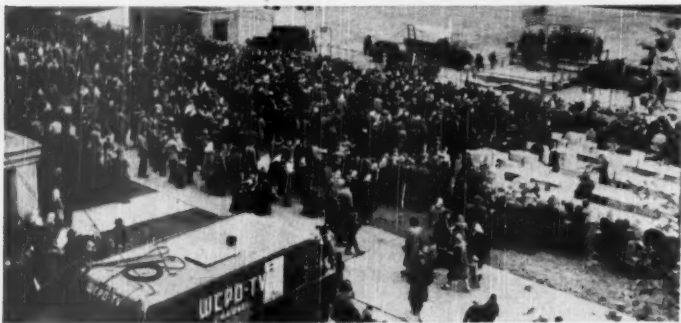


TELEVISION

TV Rules Go Overboard in Cincinnati



UNINHIBITED programming is the rule at Cincinnati's WCPO-TV. A cooking show is a regular feature, gets kidded by the male contingent in a show called Kalamity Kitchen.



REMOTE telecasts are another local feature that WCPO-TV stresses. Local programming accounts for 60% of the station's 100-hour-a-week operation.



STATION MANAGER Mort Watters plucked the blonde from WCPO's record library, put her on television. It's another example of the station's freewheeling way of operating.

WCPO-TV builds its quick success on daytime audience, local talent, unorthodox programming.

Last Wednesday night, the Reds played a double-header at Cincinnati's Crosley Field. WCPO-TV cameras were on the job, as they are at all the home games. Between games, Ohio's Gov. Frank Lausche rose to present a plaque. It was Variety magazine's award for outstanding television station operation: The winner was WCPO-TV.

It was a double-header event for WCPO-TV, too. It was celebrating its first birthday. In just one year, WCPO-TV claimed it has skyrocketed into first place (in size of audience) among Cincinnati's three TV stations. It's done it by giving Cincinnati's 100 hours a week of TV entertainment—60% of it local—that they like to see.

When commercial television first got going, there were many dire predictions that the small stations in medium-sized towns would never be able to make a go of it. It cost too much to set up the physical plant; talent costs were too high; advertisers wouldn't be able to afford it. WCPO-TV proves that television audiences don't listen to predictions. If you can work out a pattern that brings in the customers, you can make a go of television anywhere.

• **Rules Overboard**—WCPO-TV has also punctured another piece of TV folklore. Most stations go on the theory that the nighttime audience is the one to catch and hold. So daytime programming is often hit or miss—or nonexistent. But WCPO-TV reasons that to make a profit a local station has to operate a lot of daytime hours. When you're local, you can't make money by depending on nighttime network income. Your potential audience at any one time isn't big enough for you to break even on just a few hours of operation.

• **Daytime Foundation**—So WCPO-TV built itself a solid foundation of daytime shows. Starting out with a heavy daytime schedule is in itself a break with television tradition. But the first week WCPO-TV was on the air, it operated from noon to 11 p.m., now has pushed its operation back to a 10:30 start and a 12:30 windup.

Daytime audiences are a lot different from the evening ones. And it takes



No place for Rip Van Winkles

TWENTY years bring changes--changes far greater in our fast-moving world than ever happened in Rip Van Winkle's day.

Americans are awakening to unpalatable facts--that the enterprise system which built our nation and made it strong is being subtly undermined; that advocates of backdoor socialism and communism thrive in our midst; most dangerous of all, that our young people are misinformed on economics.

For example, a recent survey of high school seniors reveals that they estimated that it takes only an \$81 investment to provide a job. Actually, as shown by the 1947 census, the 2256 establishments of the iron and steel

industry invested \$545 per worker that year alone in new plant and equipment. Total investment to provide one job runs well above \$10,000.

These youth had a similarly distorted picture of profits. They believe shareholders receive 24% of the sales dollar whereas they receive an average of less than 3%.

Misinformed minds are a ready field for imported false philosophies. And it is up to you, a business leader in your community, to take responsibility toward correcting these misunderstandings. The American businessman must not permit himself to be lost in Rip Van Winkle befuddlement.

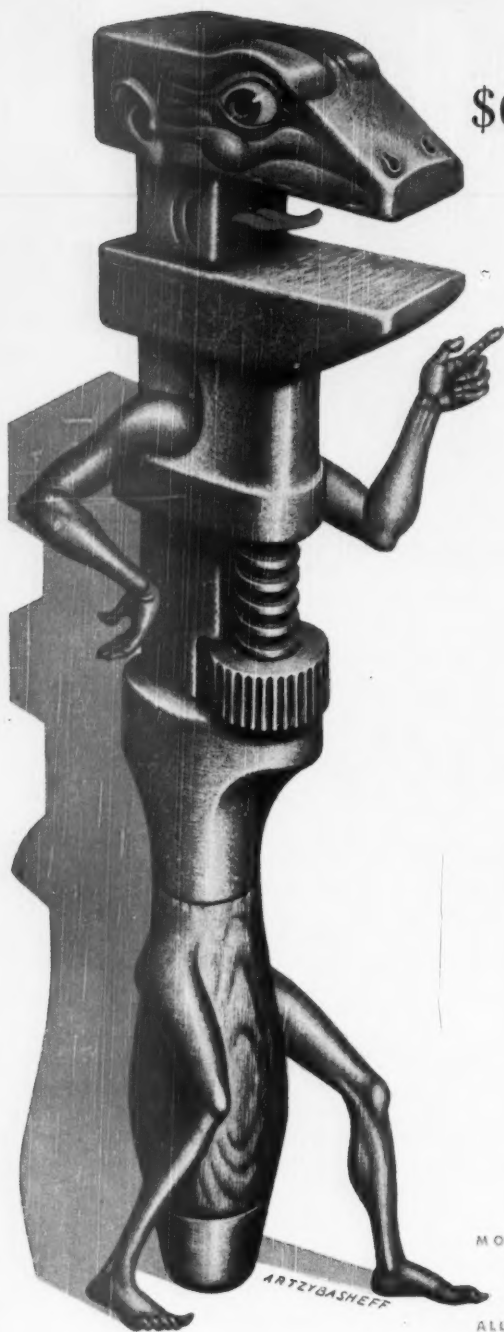


The Youngstown Sheet and Tube Company

General Offices--Youngstown 1, Ohio
Export Offices--500 Fifth Avenue, New York

MANUFACTURERS OF CARBON ALLOY AND VOLOY STEELS

ELECTROLYTIC TIN PLATE - COKE TIN PLATE - WIRE - COLD FINISHED CARBON AND ALLOY BARS - PIPE AND TUBULAR PRODUCTS - CONDUIT - RODS - SHEETS - PLATES - BARS - RAILROAD TRACK SPIKES.



\$65,000 monkey wrench

(but this business never even felt it when it fell!)

AT THE HEIGHT of the processing season in a Midwestern foodstuffs plant, a superheater tube blew in the main boiler.

The accident to this key piece of equipment shut down the plant—threw a monkey wrench into production plans for the next few months.

Direct damage, covered by the firm's Boiler and Machinery insurance, was \$2000. But the cost to the company as a result of the lost production was \$65,000.

Fortunately, Business Interruption insurance—written in connection with a Boiler and Machinery policy—paid this loss. It placed this company in *just as good financial position after production was interrupted as before.*

As this case may remind you, any manufacturer is risking his earnings if production is dependent upon the ability of plant equipment to *keep on producing.*

Travelers Business Interruption insurance (often called Use and Occupancy insurance) is designed to take over such a risk for you.

During the time production is curtailed (or stopped entirely) because of a boiler explosion—or because of an accident to a key machine—earnings slump or stop altogether; while expenses keep right on. This insurance not only pays these continuing expenses but also the profits which would have been realized had no accident occurred.

For either manufacturing or mercantile businesses, Business Interruption insurance is relatively inexpensive. Especially when you realize that it may mean the difference between a profit and a serious loss.

This insurance is also available for fire, windstorm, and other hazards.

Ask your Travelers agent or broker to tell you more about this important protection for the earning power of your business.

MORAL: INSURE IN

The Travelers

ALL FORMS OF INSURANCE AND SURETY BONDS

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford 15, Connecticut. Serving the needs of the insurance public in the United States since 1864 and in Canada since 1865.

smart programming to get them. You can't count on their undivided attention. They're more apt to be doing housework, dropping in a bar for a quick one, or just turning on the set for company.

So when it built its daytime shows, WCPO-TV put in lots of variety, kept the shows informal, mixed in something for everybody.

• **Something for Everyone**—Cincinnati likes hillbilly shows: Midday Merry-Go-Round gives them an hour of hillbillies every weekday. Women like cooking shows: Penny Pruden, a home economist who can talk a mile a minute, is for them. Bob Williams, a WCPO-TV zany, kids her program with his own version of a cooking school, Kalamity Kitchen. Women also like audience participation shows: They get it in Meet the Ladies.

Western films are popular with the small-fry: 6-Gun Theatre and 6-Gun Playhouse, western films, keep them happy. (Captain Video, a network show for children, is the only daytime network show WCPO-TV is carrying.)

Though they're expensive, WCPO-TV also uses a lot of remote telecasts, takes its equipment all over the Cincinnati area to cover news events.

• **Disc Jockeys**—Even with disc jockeys, WCPO-TV has won where others failed. Many stations have experimented with record shows, haven't been able to put them across. WCPO-TV has three and a half hours of records every weekday—and the audience loves them.

Paul Dixon's Music Shop, a two-hour program, is one of the station's top hits. Dixon is a "personality." He mugs, ad libs, makes the show a neighborhood party. But he has a loyal following for two hours every afternoon.

• **Personnel**—The way things are in television these days, you can't tell the performers from people. At most stations, personnel is fluid, can handle a variety of jobs. That's the way it is at WCPO-TV. And the informal attitudes of the people who do the shows comes through to the audience. It's intended to.

WCPO-TV even goes a step beyond informality. There are no script writers (except for advertising continuity), no rehearsals, no big-name actors, makeup specialists, or high-powered directors. A man can be an announcer on one show, a cameraman on another, and a director on the third. That way, he gets to know the problems of all three jobs.

• **No Script**—Program planning is done carefully—but it isn't written down. Everyone gets a general run-down on what is supposed to happen. After that, it's up to the performers.

This freewheeling approach results in shows that certainly do not suffer from stiffness.

An example: During one program, the

Another Example

OF GARDNER PACKAGING INGENUITY...



**A carrier
for six tumblers**
(filled with sales punch!)

Everyone knows what the six-bottle, carry-out carton did for the *soft drink* business. The Federal Glass Company could "see" how that same idea would boost multiple sales for glass tumblers, too. So could Gardner designers. And pictured here you see the sales-making result.

This Gardner-designed carrier for "Lady Helen" tumblers makes an eye-catching display . . . assures safe transit from store counter to kitchen,

without bothersome wrapping and packing. But best of all, it turns "we need another glass" into "let's take six of these."

Maybe we can add a Sales "Extra" to YOUR package

If you have a product that needs an extra point-of-sales push, a product that's hard to package, or a new idea that needs a new packaging idea, get in touch with Gardner. We'll be glad to tackle it. No obligations, of course.

The Gardner Board and Carton Co.

Manufacturers of Folding Cartons and Boxboard, 405 Charles St., Middletown, Ohio
Sales Offices in Boston, Chicago, Cleveland, New York, Philadelphia, Pittsburgh, St. Louis



"For want of a nail, the shoe was lost."

—Ben Franklin's *Almanac*, 1757

Keep thy costs under constant scrutiny, lest a competitor catch thee napping in ye Buyer's Market.

—Acme Steel's *Notebook*, 1950

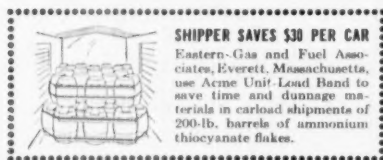
Where are today's "horseshoe nails" in your business, Mr. Department Head?

Aren't they those little items of cost, so often overlooked, that turn what ought to be a profit into a column of red ink?

Helping you spot those cost items and nail them down for keeps is where Acme Steel really shines—particularly in your shipping room, in packaging, in materials handling within your plant.

Nine out of ten companies can benefit from greater efficiency, thriftier practices, and cost-cutting Acme Steel Methods when one of our sales engineers starts applying what we have learned to do with Acme flat steel strapping, Acme stitching machines and wire, and other Acme Steel products.

For evidence, we submit here two examples of savings by our customers. There are literally hundreds more actual case studies like these, because more than 50,000 Acme customers are getting these Acme Steel benefits now. Pick up your phone and call the Acme Steel service office nearest you. (There are 46 of these offices in the principal cities of the U. S. and Canada.) Or mail the coupon below for help on your special problem.



SHIPPER SAVES \$30 PER CAR
Eastern-Gas and Fuel Associates, Everett, Massachusetts, use Acme Unit-Load Band to save time and dunnage materials in carload shipments of 200-lb. barrels of ammonium thiocyanate flakes.



THERE'S LIFE IN THE OLD CASE YET!

Yes, you can add months of profitable use to old beverage cases. Recover with Acme Bottle Box Band or Acme Rolled Edge Box Strap. It's a quick, easy way to thrift!



Who "owns" Acme Steel? Our 1949 annual report showed 7,538 stockholders—2,730 women, 2,705 men, 1,612 joint accounts and 491 corporations and institutions. Acme Steel stockholders have increased approximately 20 per cent in number in the past two years.

ATTACH THIS COUPON TO YOUR BUSINESS LETTERHEAD

ACME STEEL COMPANY, Dept. BW-70, 2839 Archer Avenue, Chicago 8, Illinois

We manufacture _____ Please send me booklets on Acme Methods checked.

☐ Please have sales engineer call.

☐ **Shipping (Carload and L.C.L.)**—"Acme Unit-Load"—The story of reduced damage claims and better handling for shippers.

☐ **Packaging, Shipping, Materials Handling**—"Savings in Shipping" tells how to save money and safeguard customer good will with Acme Steelstrap.

☐ **Bag and Box Assembly**—"Profit by Stitching" demonstrates cost-cutting Acme Silverstitchers and Acme-Champion Stitchers.

☐ **Product Assembly**—"Acme-Morrison Metal Stitchers" for savings in fastening metal-to-metal or metal-to-other materials.

☐ **Book Assembly**—"Acme-Morrison Book Stitchers" for savings in the graphic arts field.

NAME _____ POSITION _____

COMPANY _____

STREET _____

CITY _____ ZONE _____ STATE _____

director wanted a camera moved from one side of the studio to the other. So he told the cameraman to "stay low" while he moved the camera. The cameraman pushed his camera across the stage on hands and knees, but the camera couldn't duck. So viewers saw a camera, apparently of its own accord, sail majestically across the screen in front of the performer. Everyone thought it was a good joke.

• **Personalities**—WCPO-TV has developed several personalities through just such informal goings-on. One of them is Bob Williams, a 200-pounder who arrived on the scene one day to work as a floor man, which means he moved props around. It wasn't long before he was working a camera and directing shows. Pretty soon, he was sneaking in front of the camera. Now they can't keep him off a show—he's developed a habit of wandering in and out of almost any show that is on the air.

• **Still Ahead**—All of these shenanigans pay off solidly for WCPO-TV. It has been first in Cincinnati in every time classification since it started operating, according to Pulse Reports. WCPO-TV's success has forced the other two stations, WLWT and WKRC-TV, to extend their operating schedules to keep up with it. Even that hasn't cut into WCPO-TV's ratings.

WLWT recently struck back in a vulnerable spot—time rates. It has set up a system of "summer discounts" ranging from 25%-40%, to run from May through September. Even though its rates run well ahead of WLWT's for five months out of the year, WCPO-TV hasn't shown any signs of worry.

• **Almost in the Black**—As a matter of fact, WCPO-TV's unorthodox way of operating is almost ready to pay off in dollars and cents. M. C. (Mort) Waters, station manager, says, "We could have been in the black long ago, but as income goes up, we plow it back in. We haven't reached the point yet where we can stop expanding."

The plowing-back includes hiring more personnel, buying additional equipment, and plans to add a new building to WCPO facilities, which are bursting out at the seams. (WCPO-TV is part of the Cincinnati Post's radio system, which includes WCPO-AM and WCPO-FM.)

It has cost about \$750,000 to get WCPO-TV to its present status. That includes roughly \$500,000 for the physical plant needed to get on the air, plus \$250,000 for operating loss and addition of personnel and physical plant during its first year of operation.

• **In and Out**—Expenses break down like this: 50% in the program department, 25% in engineering, and 25% miscellaneous, including heat, light, water, etc.

Since WCPO-TV's video time is

largely devoted to local programs, it gets the lion's share of revenue from that source—a full 64%. National "spots" provide 18% of the income; the other 18% comes from advertisers and agencies who hire talent for a program and rent a studio for rehearsals, charges for remote facilities, use of film, and the like.

• **Stay Local**—WCPO-TV has shied away from tying itself up in network commitments. Right now, only 30% of its time is network programs (DuMont and ABC). Watters likes it that way. He thinks local stations should be local—and not depend on network programs.

Apparently, the businessmen that buy time on WCPO-TV agree. Auto dealers, appliance dealers, specialty shops, breweries are advertisers on WCPO-TV.

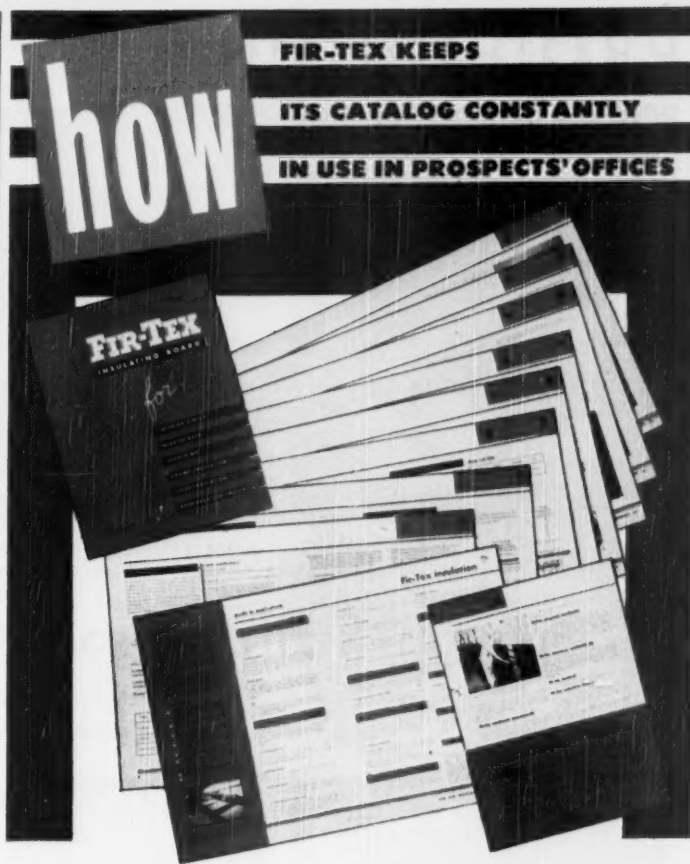
• **Sponsors**—They're as unfettered in buying the kind of program they want as the station is in its operations. Watters doesn't try to sell a sponsor a specific show, and he generally doesn't tailor his shows with a possible sponsor in mind. He gives the performers a hunk of time, tells them to do what they please. They are so screwball that potential sponsors are usually delighted and buy the time occupied by those characters.

Above all, WCPO-TV doesn't try to ape the opposition. Watters says, "We are never guilty of matching a program with the same type. Of course, if we're there first and they do it, we won't move. But if we drop down, then we pull a program off."

• **Spark Plug**—Actually, Watters, the hard-driving, shrewd station manager for WCPO-TV is the spark that makes the whole shebang go. He's a veteran in radio, started to work for NBC in Washington during his senior year at Georgetown University. By 1936 (four years later), he had gained enough savvy in radio to be given the job of setting up the West Virginia Network, with stations in Charlestown, Parkersburg, and Clarksburg.

In 1938, he became general manager of WCPO. The station, owned by Scripps-Howard Radio, Inc., had built a successful radio formula of music, news, and sports. Watters ran the station until last year, when WCPO-TV came into being.

Television is still young enough for stations to show the personalities of their managers. Watters is as colorful as the station he manages. Although he has a smooth, unruffled manner, he knows all the tricks of the trade—and uses them to his station's advantage. His freewheeling method of operation, plus his canny grasp of what Cincinnati's TV viewers want to see, have already come close to making him a tradition in the industry.



Sweet's distributes 3 Fir-Tex catalogs—describing insulating board (above), form liner and tile.

"When we set up our annual budget for catalogs and advertising of Fir-Tex Insulating Board products, we start with Sweet's service, subtract its cost from the total, and then figure out how well we can allocate the balance.

"Keeping our Fir-Tex catalogs in the hands of active architects and contractors is of prime importance. We know from first-hand observation that Sweet's File is

constantly in use and is considered indispensable in their offices. So we consider our catalogs in Sweet's File the base around which we tailor the rest of our program.

"We have distributed Fir-Tex catalogs through Sweet's for seventeen years and we are convinced that this is the most effective way to get them used by active prospects."

Dant & Russell, Inc.

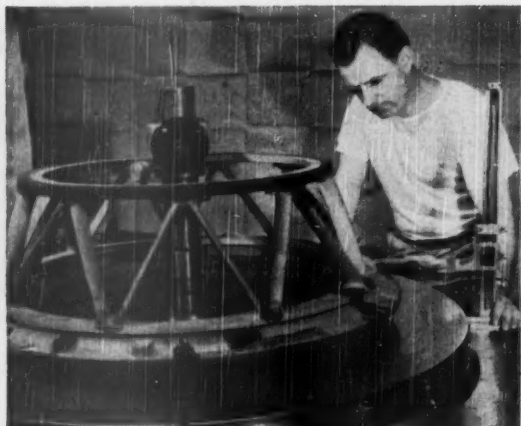
Glenn W. Cheney, Manager of Fir-Tex Sales

Sweet's catalog service

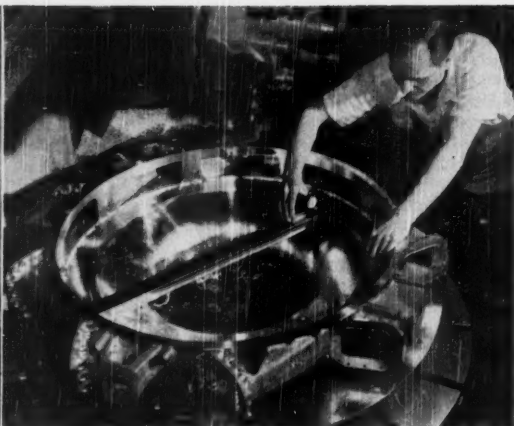
DIVISION OF F. W. DODGE CORPORATION • 119 WEST 40th STREET, NEW YORK 18, N. Y.

▶▶▶ Sweet's handles more catalogs than any other organization—in 1950, over thirty-five million copies for 1,148 manufacturers. When your catalog is distributed by Sweet's, it is delivered to prospects of top-rank buying power in the markets of interest to you. Furthermore, your catalog remains in the office of each recipient, instantly accessible at all times. This is accomplished by distributing it in a bound, indexed collection (file) of manufacturers' catalogs. According to thousands of users of these files, this is the most effective method of getting catalogs used by prospects.

PRODUCTION



PRECISION BEGINS even before manufacture of J-48 jet engines. P&W mechanic checks magnesium casting dimensions.



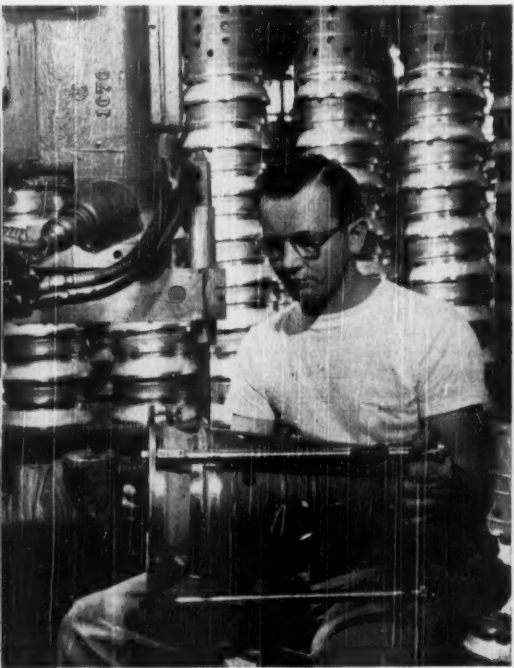
MIRROR SURFACE that guides heated air through turbine is checked with special gauges. It has to be accurate within 0.005 in.

Tough Switch—From Few to Many

Mass production of precision jet engines is no picnic. Pratt & Whitney's experience with the J-48 explains why.



PRESSES form sheet metal parts for jet engines. Some parts require six trips through a press before they are completed.



SPECIAL JIG holds parts to be welded in rigid alignment. This insures dimensional accuracy. (TURN TO PAGE 50)

Here is "Push-button" dictation . . .

...at its automatic BEST!

Totally unlike any previous type of dictating machine
... the AUDOGRAPH Electronic Soundwriter permits
you to work as fast as you can think!

Dictation is EASIER



with AUDOGRAPH

No delicate adjustment, nothing to get out of order.
No arms to lift . . . no needle to locate. Its *single lever*
control and lightweight hand microphone provide
instant action.



...the secretary's pride and joy!

The AUDOGRAPH Secretarial Model gives to your secretary a quick release from the tedious and time-wasting part of her job—"taking" dictation. Instead, she has a new spirited servant that makes her work more resultful, more important, more interesting.

● In scores of reported cases, AUDOGRAPH dictation cuts in half the dictating and transcribing time. *You* get more work done in each day, and your *secretary* becomes a topflight "executive assistant."

● For full facts about AUDOGRAPH . . . the versatile, efficient, time and money-saving means of *getting things done* . . . just use the coupon. Why not do it *today*?



Gray
→ AUDOGRAPH

ELECTRONIC
SOUNDWRITER

AUDOGRAPH sales and service in 180 principal cities of the U. S. See your Classified Telephone Directory—under "Dictating Machines." Canada: Northern Electric Company, Ltd., sole authorized agents for the Dominion. Overseas: Westrex Corporation (export affiliate of Western Electric Company) in 53 foreign countries.

● THE GRAY MANUFACTURING COMPANY, HARTFORD 1, CONNECTICUT

● Send me Booklet Y-7 — "Now We Really Get Things Done!"

● Name

● Title..... Firm.....

● Street..... City.....

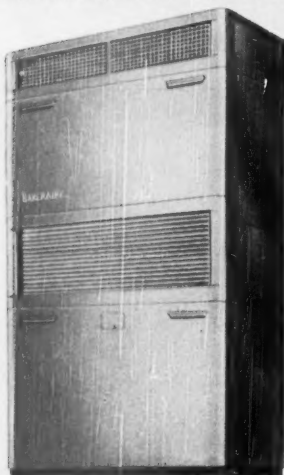


**"Let's Meet at
ROSS HOUSE
... where
IT'S COOL"**



That's a common suggestion in Philadelphia and vicinity. Strategically placed BAKERAIRES turn comfort into profits at The Ross House, a popular eating and meeting place in Philadelphia. This is day-in, day-out routine with

BAKERAIRES



Not only does BAKERAIRES clean, cool, de-humidify and circulate the air, but heating coils may be easily installed to provide warmed air on cold, damp days, too. Quickly installed without interruption of your business. Ask your nearest Baker Distributor.

BAKER REFRIGERATION CORPORATION
South Windham, Maine

some balanced engineers

BAKER
since 1905

Air Conditioning and Refrigeration



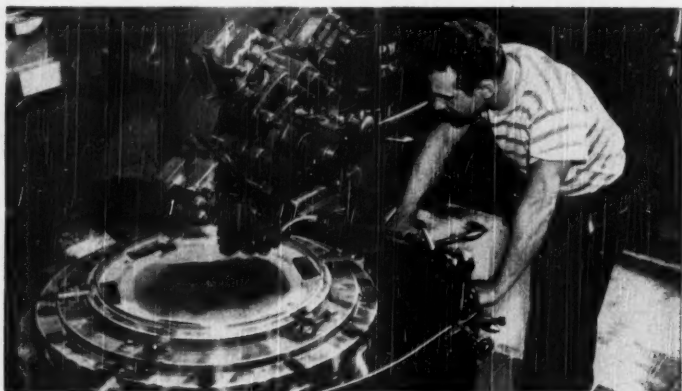
JET ENGINES (Continued from page 48)



ALUMINUM SPRAY is applied by acetylene torch to outside burner surfaces. Coating protects base metal from corrosion.



SPECIAL BROACH cuts out 54 recesses at one time in turbine rotor. Recesses will hold turbine blades.



SPECIAL TOOLS are needed for tough machining of jet-engine compounds. Here a vertical turret lathe is tooled for high-speed machining of an engine casing flange.



TAIL CONE is held in a special jig for spot-welding to the inside of the engine's tail pipe. This insures correct location.



ENGINE ASSEMBLY is fitted over compressor assembly, protected from dirt by canvas screens. (TURN TO PAGE 52)

NO A SE



The chemists could tell you a thing or two about Stainless Steel

YOU don't have to be connected with the process industries to know that many details of chemical processing are vital and closely-held secrets. But it's no secret that a very large share of this production, whether hush-hush or not, is conducted in equipment made of stainless steel—for the excellent reason that stainless steel is the *one* material that best meets the need for great strength and high resistance to corrosion, heat and wear.

Put it this way: like any other business, a process industry has to show a profit—has to hold down costs. Allegheny Metal equipment gets the call because stainless steel lasts longer, looks better, cleans easier and quicker, maintains top purity standards and holds maintenance and depreciation costs down to the bottom.

In short, stainless steel is cheapest in the long run—not only in the tough conditions of the process industries but almost anywhere metal is used. Where can we help you to gain advantage with Allegheny Metal?

* * * * *

Complete technical and fabricating data—engineering help, too—are yours for the asking from Allegheny Ludlum Steel Corporation, Pittsburgh, Pa. . . . the nation's leading producer of stainless steel in all forms. Branch Offices are located in principal cities, coast to coast, and Warehouse Stocks of Allegheny Stainless Steel are carried by all Joseph T. Ryerson & Son, Inc. plants.

You can make it **BETTER** with
Allegheny Metal



W&D 3148

*cost
reduction
and
greater
production*

**the principal function of
mechanical handling**

The keen competition characteristic of the automotive industry is common knowledge. Likewise, that industry's ready acceptance of any device or system by which manufacturing costs may be reduced to obtain a price advantage.

Highly important in this respect are devices and systems which combine handling with manufacturing operations to the economical advantage of both—and also which operate without interruptions.

It is significant that the cost-conscious automotive industry, with its highly competent engineering, has consistently absorbed more MHS products than any other. Also that MHS conveyor systems have done much to aid this industry in bringing its costs *and* production to current levels.

A careful handling survey of your operations may reveal potential savings of considerable size. Such a survey will not cost you anything. MHS Engineers are ready to make one at your request.



**MECHANICAL HANDLING
SYSTEMS, INC.**

4610 HANCY AVE. • DETROIT 12, MICH.

Offices in Principal Cities

JET ENGINES (Continued from page 50)



J-48 TURBO-WASPS start down final assembly line after initial test runs. Complete engine weighs less than 2,000 lb., delivers about 5 hp. per lb. at operating speeds of planes.

Special Tools Do the Trick

Switching to war production is going to be tougher this time. That's because a lot of military equipment is much more complex and demands even higher precision than it did in World War II.

The jet engine is a good example of the kind of problem some manufacturers will face. In theory, the jet engine is simple; in manufacture, it's tough. It's all precision, from the high-alloy blades that take the blast of hot gases to the mirror-smooth interior surfaces that are swept by the gas blast.

Producing a small number of engines isn't too tough. But doing it on a mass basis—without losing your shirt—is another story, particularly if you have to bid competitively for the job. Those conditions mean that you have to sharpen up your production thinking, develop unusual manufacturing tricks.

• **Inside Story**—Last week, Pratt & Whitney Aircraft, division of United Aircraft Corp., East Hartford, Conn., tipped its hand a little. P&W released information and pictures on its mass-production of jet engines. The company is making the J-48, a high-powered 6,250-lb. thrust job that powers the F9F-5 Grumman Panther, the North American F-93A, and a Lockheed plane still under security wraps. A study of the pictures gives a fair idea of the production problems a World War III

manufacturer will have to face. P&W didn't publicize all its production tricks, for a good reason: The jet business is very competitive.

One fact must be remembered in the case of jet engines. Even though considerable engineering has been done to simplify production, it still takes plenty of special work. For example, P&W is using over 12,000 special production tools to make the J-48.

• **Three-Way Problem**—Three main areas of attack were used in studying J-48 production: materials engineering; manufacturing techniques; and gauging. The jet engine, like most military-developed devices, uses plenty of high-cost, high-alloy materials, requires special protective coatings for some parts, embodies unusual lightweight materials like magnesium. Thus, you have to know what you are doing metallurgically.

P&W takes the magnesium castings, checks section thickness and soundness before any machining starts. Metal parts are designed for progressive press operations necessary for deep draws. Metal parts such as combustion shells get a sprayed aluminum coating that resists corrosion. Burner liners get a ceramic coating that resists extremely high temperatures.

From the metalworking angle, P&W is better equipped than most com-



SOME **BLAW-KNOX** PRODUCTS AND SERVICES

- STEEL PLANT EQUIPMENT
- ROLLS FOR STEEL AND NON-FERROUS MILLS
- ROLLING MILLS AND AUXILIARY MACHINERY
- OPEN STEEL FLOORING
- PREFABRICATED PIPING SYSTEMS
- FIRE PROTECTION EQUIPMENT
- CHEMICAL AND FOOD PROCESSING EQUIPMENT
- CONCRETE AND ASPHALT ROAD PAVING MACHINERY
- COMPLETE CHEMICAL AND INDUSTRIAL PLANTS
- STANDARD STEEL BUILDINGS
- RADIO, TELEVISION AND TRANSMISSION TOWERS
- HEAVY STEEL CASTINGS
- HEAT AND CORROSION RESISTING ALLOY CASTINGS
- STEEL FORMS FOR CONCRETE CONSTRUCTION
- CONTRACTORS EQUIPMENT
- CLAMSHELL BUCKETS
- ENGINEERING SERVICE

17 GOOD REASONS FOR CALLING

BLAW-KNOX COMPANY

A Pacemaker for American Initiative and Ingenuity
2104 FARMERS BANK BUILDING
PITTSBURGH 22, PA.

This telephone emphasizes the *single responsibility* which Blaw-Knox assumes in any transaction. Whether your need is for Engineered Products or Engineering Services, the abilities, experience and facilities of eleven separate divisions are yours to command. An engineer-to-engineer discussion may profit you.

OPERATING AND SALES DIVISIONS—BLAW-KNOX • BLAW-KNOX SPRINKLER* • BUFLOVAK EQUIPMENT • BUFLOVAK MIDWEST CO. • CHEMICAL PLANTS*
THE FOOTE COMPANY, INC.** • LEWIS FOUNDRY & MACHINE • NATIONAL ALLOY STEEL • PITTSBURGH ROLLS • POWER PIPING* • UNION STEEL CASTINGS

*Operates as a division of Blaw-Knox Construction Company.

**Subsidiary of Blaw-Knox Company

OFFICES IN PRINCIPAL CITIES—Export Department, 342 Madison Avenue, New York, New York • Distributors and representatives throughout the world.



PRE-TESTING...
...for surface sizing is one of many tests assuring that Nekoosa Bond will take all kinds of inks clearly and evenly.



**your printer will
tell you why America's
best letterheads**

**are on
pre-tested
NEKOOSA BOND**

Your printer knows why many of today's outstanding letterheads are printed or lithographed on Nekoosa Bond. Experience has taught him that pre-tested Nekoosa Bond runs through modern high-speed presses smoothly—and that the finished results are always crisp and clean. Your business stationery, too, can have that attractive Nekoosa Bond look. Ask your printer to show you samples. It is available in immaculate white—for your letterheads—and in eleven other attractive colors for your business forms.

IT PAYS TO PLAN WITH YOUR PRINTER



This watermark
is your assurance
of pre-tested quality!

NEKOOSA-EDWARDS PAPER COMPANY
Port Edwards, Wisconsin

panies for jet-engine manufacture. It has a backlog of years of precision piston-engine making. Many conventional metalworking methods have been adapted to the J-48 job. But where those techniques don't yield the precision that is required, new ideas are worked out.

• **Welding Jigs**—Pressworking and heat-treating metal pieces is fairly simple. But welding is tough. Practically every weld is a precision job. So P&W has special fixtures, made from materials ranging from plastic to metal tubing, to hold parts to be welded rigidly in relation to one another.

Another example of special work is the machining of the pine-tree recesses into which the blades fit. These must be broached to shape, but cutting 54 recesses around a turbine wheel at exactly the same angle isn't easy to do if they are broached a few at a time. So a special broaching fixture is used. On one operation, all 54 recesses are broached at the same time. In this case, precision demands proved a boon: A 54-at-once machining operation replaced a time-consuming step-by-step job.

Measurement and inspection are operations that must be performed constantly in mass production of precision products. Such work must be scheduled at regular intervals on the line.

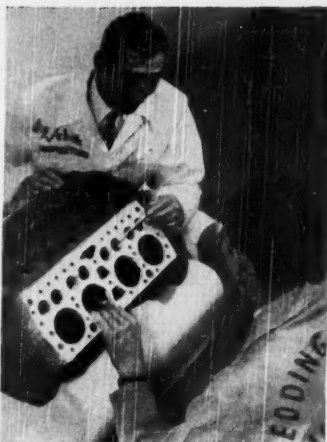
Ion-Gauge Measures Ultra-Low Pressures

The closer scientists come to producing the perfect vacuum, the harder it is for them to tell how close they have come. Gauges haven't been sensitive enough to count the few molecules that are left.

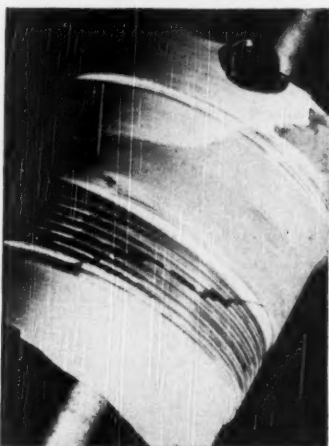
• **New Gauge**—Westinghouse Electric Corp. recently unveiled an electronic pressure gauge that is 200 times as sensitive as any previous type. The gauge can detect one molecule of air left out of 10,000 billion originally present. Robert T. Bayard of the interatomic physics section of Westinghouse's research laboratory developed it.

• **Principle**—The principle of the gauge is simple. A gun shoots electrons into the vacuum chamber much in the same manner as a radio tube emits electrons. When an electron collides with a molecule of air, it knocks off a part of the molecule. The remainder is a positively charged ion. The number of ions formed can be measured by a meter; that determines the degree of vacuum. Westinghouse calls the device an "ion-gauge."

• **Wider Use**—Westinghouse expects that the gauge will permit more extensive use of high vacuum in studying, for instance, seepage of gas through metals.



WHITE developer coated on engine part being studied for flaws brings out . . .



RED jagged line of dye that indicates hard-to-spot subsurface flaw.

Casting Flaws Spotted With Dye and Developer

Spotting a flaw in a metal casting is a one-minute cinch if you tackle it with X-ray gear, magnetic testers, or reflectoscopes. But that kind of equipment is often costly and elaborate.

Turbodyne Corp., Northrop Aircraft Corp.'s Hawthorne (Calif.) subsidiary, has worked out a flaw-detection method that's cheap and as easy as slapping on paint with a brush. The part to be inspected is dipped, sprayed, or brushed with a red dye that's noncorrosive and nontoxic. After a short soaking, the dye (a chlorinated hydrocarbon) is removed with a cleaner. The dye remaining in subsurface defects is brought to the surface as telltale marks

by adding a white developer. The entire process consumes approximately five minutes, depending upon the size of the casting.

The Turbodyne process was originally developed for use in the manufacture of jet turbine aircraft engines for Northrop. But company engineers think that the process will catch on quickly in other industries.

PRODUCTION BRIEFS

Building-block makers are digging into a 100-million ton reserve of cinders stockpiled by Pennsylvania anthracite users. Block makers have been pinched for a fresh supply since power utilities began converting to oil.

Cottonseed oil will be extracted by a chemical process at a new plant of Buckeye Cotton Oil Co., Augusta, Ga. Compared with conventional crushing, chemical extraction gives a bigger yield of oil.

General Electric has dropped out of the plastic fabricating business. Its Textolite facilities were sold to Laminated Products, Inc., and its affiliate, Electrical Insulation Co., Inc.

Standard Oil of Calif. has awarded a contract to M. W. Kellogg Co. for a record-breaking 55,000 bbl. capacity vacuum flashing unit. It will feed Standard's cat crackers.

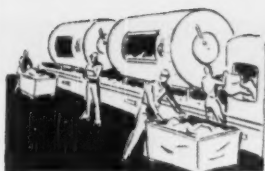
Manganese recovery from steel mill slag (BW—Apr. 15 '50, p. 56) will get a pilot plant tryout at Bureau of Standard's College Park (Md.) laboratory. R. S. Sylvester is going to direct the project.

Du Pont has 462 more of its patents available for licensing by other industries. See U. S. Patent Office's Official Gazette for a listing.

Instrument symbols for industrial processes have been published in booklet form by Instrument Society of America, 921 Ridge Ave., Pittsburgh 12.

Stanford Research Institute, Palo Alto, Calif., has formed an information service for chemical industries. Data sheets sent to subscribers come in graphic and tabular forms, cover production, sales, consumption patterns, and price histories.

Industrial wire is in for an expansion at Electric Auto-Lite's Hazelton (Pa.) plant. Production from Hazelton means faster service for customers in the East, the company says.



*for laundries
or linoleum!*



management men value

DOWTHERM

THE HEAT TRANSFER MEDIUM
FOR HIGH TEMPERATURES

for simplicity in operation

Here's simplicity! A single vaporizer using DOWTHERM will give several different temperatures *at the same time*. And when alternate heating and cooling are required, DOWTHERM can be used in the same equipment.

DOWTHERM saves time, materials, and equipment. The application of DOWTHERM heat to ironing and pressing machinery results in a greater output *per unit of equipment*. Maintenance is a minor factor with DOWTHERM as it has no effect on normal materials of construction—no scale!

Where your operations require precise, accurate heating in the 300-750°F. range, use DOWTHERM. Write for complete information about DOWTHERM and its application.

THE DOW CHEMICAL COMPANY • MIDLAND, MICHIGAN

New York • Boston • Philadelphia • Washington • Atlanta • Cleveland • Detroit • Chicago
St. Louis • Houston • San Francisco • Los Angeles • Seattle
Dow Chemical of Canada, Limited, Toronto, Canada

SPEEDS HEATING • IMPROVES PRODUCTION

DOWTHERM





OPEN THE DOOR . . .

But first, consider the doorknob. It has come a long way from the rude latch and string that secured the backwoods cabin. A myriad of talents and crafts have contributed to its fashioning . . .

Designers, machinists, metal workers, locksmiths, pattern makers, founders . . . these and a thousand others have lavished their gifts on this handsome and versatile piece of hardware.

Turn the knob. Walk in on a typical American industry . . . the planning, designing and construction of buildings. Private home to public edifice, nowhere else in the world can so much that is good be afforded by so many.

AMERICA WORKS LIKE THAT . . .

Uniquely so. Every art, every science, every branch of engineering . . . all the bodies of techniques of all craftsmen are richly fulfilled here.

America can work like that because it has an all-seeing, all-hearing Inter-Communications System.

WHAT AN INTER-COM SYSTEM! . . .

Complete communication is the function, is the peculiarly American contribution of the business press . . . a great company of specially edited magazines devoted to the specialized work areas of men who want to manage better, design better, manufacture better, research better, sell better . . .

WHY WE HAPPEN TO KNOW . . .

The McGraw-Hill business publications are a part of this American Inter-Com System.

As publishers, we know the consuming insistence of the editors on reporting, analyzing, disseminating . . . on making sure that every new idea is spread with fission speed . . . on universalizing both principles and details.

As publishers, we know that people pay to subscribe to publications for the sole purpose of listening in on units of the American Inter-Com System.

As publishers, we make the advertising pages of our publications available for your communications with the people you want to reach.

McGRAW-HILL PUBLISHING CO., INC.

330 WEST 42nd STREET, NEW YORK 18, N. Y.

H E A D Q U A R T E R S F O R B U S I N E S S I N F O R M A T I O N

HE'S COOL... HE'S COMPETENT



R&M There's nothing like *air in motion* to keep the ideas clicking and the day's work breezing along. And that merely means the right fans in the right places—to "condition" air the *economical* way. Special emphasis, please, on fans of known and guaranteed quality... for more breeze, more quiet, and more years of service! That's what you will always find in R & M fans. They're good fans... and good for business. Standardize on R & M!

RATE A BOUQUET!

The office force will cheer when you splurge on this R & M Pedestal Fan. It's a 16" 2-speed oscillator, quietly breezing up to 1500 cubic feet of air per minute. Height adjusts from 38" to 62". Incl. Fed. exc. tax, \$37.95.

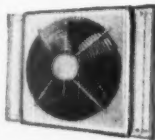


FRONT-OFFICE FAVORITE!

The R & M Quiet de Luxe—smoothest of engineering jobs—a whisper at all three speeds. Handsome gunmetal finish, distinctive wide-blade design. Bracket for wall mounting. Incl. Fed. exc. tax: 12", \$41.95; 16", \$49.95.

CHANGE OF AIR!

This R & M Window Fan—for windows up to 35" wide—draws fresh air in, or reverses at the flick of a switch to drive stuffy air out. 2-speed motor; 2510 cubic feet of air per minute. Ivory finish, bright grille. Incl. Fed. exc. tax, \$54.95.



Above prices subject to change. Write for complete 1950 R & M fan catalog.



NEW PRODUCTS



GAS BLAST CLEARS DRAINS

A device called a Drain Gun shoots a blast of gas and air through clogged drains to unclog them. Cartridges of compressed carbon dioxide—the kind used to make soda water in the home—supply the power.

When the cartridge is screwed on the top of the gun and punctured, the carbon dioxide gas escapes into a pressure chamber. There is a meter attached to the side of the gun that indicates the pressure.

When the dial reads 50 lb., the shaft of the gun is placed over the drain and pressed gently down. The shaft is tipped with a rubber plunger to seal it to the drain. A spring-operated valve releases the pent-up gas through the shaft and into the pipe. The gush of air and gas acts as a battering ram to blow out the waste that clogs the pipe.

• Source: Handling Devices Co., Inc., Boston.

• Price: \$24.75.

PRECISION OIL WON'T CREEP

In a precision instrument, the lubricant has to stay right on the bearings. If it creeps onto the other parts, it slows down the delicate works. And even a light film of ordinary oil is liable to creep.

Two years ago, Elgin National Watch Co. put researchers on the job of tracking down a better oil for watch works. As a result, Elgin and the Gulf Research Fellowship at Pittsburgh's Mellon Institute of Industrial Research have now developed two lubricants for use in fine precision instruments.

The two new oils, Gulf Special In-

strument Oil and Gulf Micro Bearing Oil, do not occur naturally: They are tailored by chemists. The lubricants have two special properties:

(1) They won't creep. Applied in minute quantities to pivot-to-jewel or pivot-to-brass bearings, they'll stay put for a long time.

(2) They resist gumming and thickening; evaporation and oxidation are minimized.

Gulf anticipates a lively market for the oils in such fields as aircraft instruments, gyroscopic devices, and industrial control devices.

• Source: Gulf Oil Corp., Gulf Bldg., Pittsburgh, Pa.

COLLAPSIBLE SAWHORSE

A collapsible sawbuck, called Fold-Horse, made by Ko-Lox Mfg. Co., Menomonee Falls, Wis., takes less space than an army cot when folded. A dozen will stack in a car trunk. Erected, it stands 25-in. high.

The sawbuck is made of welded steel, weighs 12.5 lb. It sets up by inserting two bolts plus wing nuts.

• Source: Ko-Lox Mfg. Co., Menomonee Falls, Wis.

• Price: \$4.95.

ALL-IN-ONE WOODWORKER

The versatile Comet Cub comes close to being a complete woodworking shop in a single unit. It saws, routs, shapes, bores, turns, and sands—among other chores.

The unit consists of a table and operating surface. Overhanging the table is a motor mounted on a retractable arm which is supported by a heavy steel column. The motor will tilt for angle jobs and is free to move forward, back, and sideways.

The shaft of the motor can be fitted with a number of different heads, such as a dado, circular saw, carving chuck, drill chuck, or router. A power takeoff is available which serves both the lathe and sanding, grinding, or polishing operations.

The motor is $\frac{3}{4}$ hp., built with two shafts. One turns at 12,500 rpm. for routing, shaping, and finish cutting. The other runs at 7,200 rpm. for clean sawing and other operations requiring slow speed.

The Comet Cub has a one-piece frame mounted on a table of heavy steel. There's a micrometer depth adjustment for the router-shaper table and a foot-operated raising device.

• Source: Consolidated Machinery & Supply Co., Ltd., Los Angeles.



They *KNEW* Glass by Corning Would Help Sell Their Idea



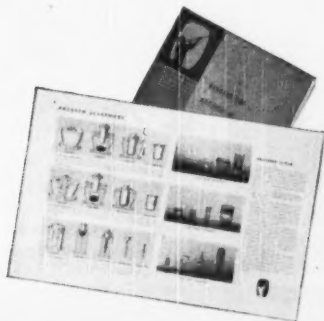
Several years ago the Macalaster Bicknell Co. was ready to market their Fenwal System for preparing sterile solutions. The heart of the system is a unique closure for a solution container. But the Fenwal Container had to do more than hold

liquid. It had to stand a vacuum. It had to be chemically stable. It had to resist repeated steam sterilization. *Most important, it had to compete with low-cost, single-use flasks.*

Macalaster Bicknell had sold PYREX brand laboratory glassware for years. They *knew* it had all the required properties—knew how the name

PYREX was universally accepted as a mark of quality. So they chose a PYREX brand glass for their system. The result? Starting with one type of container, the Fenwal line has grown to include a complete range of containers, centrifuges, stills and washing equipment—all used extensively in modern hospitals and clinics. Today, these sales constitute a good portion of their business.

Perhaps you have an idea that could be sparked with glass by Corning . . . or a product that needs a "Transfusion." Corning engineers will make it worth your time to investigate the possibilities. Write or return the form below to get the ball rolling now.



Corning Glass Works

195 Crystal Street, Corning, New York

Please send me a copy of your booklet B-84 "Manufacture and Design of Commercial Glassware."

NAME _____ TITLE _____
 COMPANY _____
 ADDRESS _____
 CITY _____ STATE _____





MEMO

Complete Satisfaction!

DEALERS FOR GUNNISON HOMES . . . leading independent businessmen in hundreds of communities across the nation, know the **SALES VALUE** of the new Low-cost Quality home . . . the **CHAMPION** Home! Read the excerpts from letters below. They **PROVE** that wide public acceptance . . . ease and speed in erection . . . variety in design for large developments . . . quick turnover . . . mean **SOUND INVESTMENT, GOOD PROFIT!**

"Yesterday at noon we offered 177 **CHAMPION** Homes for sale. We took contracts for 142 before 8 p.m. and would have sold out the entire offering if our manpower had been sufficient to handle the crowd . . ." John W. Galbreath, president, John W. Galbreath & Co., Columbus, Ohio.

"Last fall we built 18 **CHAMPIONS** and sold them promptly. They stood the cold climate of Omaha so well that we have embarked on a program of erecting 300 homes . . . I have encouraged top-ranking Realtors to get the Gunnison franchise, for the good of their communities and themselves . . ." T. H. Maenner, president, T. H. Maenner Co., Omaha, Neb.

Dealerships Available

Gunnison Homes, Inc., U. S. Steel Corporation Subsidiary, is now granting **ADDITIONAL DEALER FRANCHISES!** We welcome inquiries from qualified, financially sound businessmen. Investigate **NOW!** Write Dept. W-1 for complete information.

Wherever There's
Better Living . . .

Gunnison Homes

UNITED STATES STEEL  CORPORATION SUBSIDIARY
NEW ALBANY INDIANA

★ TM

NEW PRODUCTS BRIEFS

Bigger TV pictures are offered by General Electric in a receiver that uses a 24-in. direct-view tube. Image is almost as large as standard newspaper page.

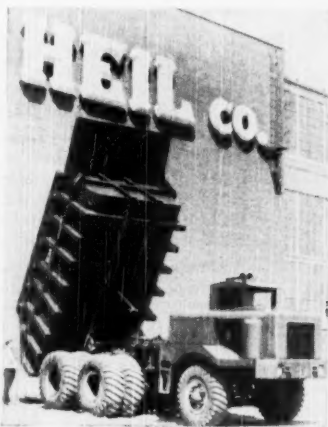
A **tiny electric switch** that offers a new snap-action, pure silver contacts, and high speed is being marketed by Tyni-switch Electronic Sales Co., Meriden, Conn.

A **thermostat** is now available for portable electric heaters. Rated up to 15 amp., 110 v. to 125 v., a.c., the portable unit is a product of Electric Controls, Inc., Portland, Ore.

A **blow torch** with a prefilled disposable fuel can eliminate priming and preheating. Otto Bernz Co., Inc., Rochester, N. Y., is the manufacturer.

Antioxidant developed by American Cyanamid protects white rubber products such as bathing caps against staining or discoloring.

High-vacuum bellows valves without packing, allowing leakage of less than 0.01 micron cu. ft. per hr., are now manufactured by National Research Corp., 70 Memorial Drive, Cambridge, Mass.



Monster for Mine

The 35-ton monster above is the world's largest dump truck, according to Heil Co. and Sterling Motor Truck Co., the manufacturers. It will haul coal and rock waste for a Pennsylvania strip mine. The 28-cu. yd. dump unit can be lifted and dumped in less than a half minute. Its 325-hp. diesel engine can trundle the truck at 32 miles an hour in overdrive.



POWER
on the
march

An impressive percentage of the new capacity being developed by the power industry utilizes the skills of Bechtel engineers and construction forces. Fifty years of organized experience is ready to build power facilities wherever needed.

**BECHTEL
CORPORATION**

*Los Angeles • SAN FRANCISCO • New York
Tulsa*

"BUILDERS FOR INDUSTRY"

DESIGN • ENGINEERING • CONSTRUCTION

ELIMINATE
fence painting costs
FOR GOOD!

INSTALL

Copperweld
TRADE MARK
CHAIN LINK FENCE

THE FENCE THAT NEVER NEEDS PAINTING

Wire brushing and painting a fence are expensive and troublesome. You can forget these costly jobs when you install Copperweld® Chain Link Fence around your plant or home. For Copperweld Fence is made of Copperweld Wire— with a thick copper covering inseparably "Molten-Welded" to a strong steel core. This makes it rust-proof, corrosion-proof. It never needs a drop of paint.

Copperweld provides a sturdy, non-sagging fence that assures lifetime protection. It's the protective fence that protects itself. It costs less because it lasts longer.

Write today—for free catalog and sample of Copperweld Fence.

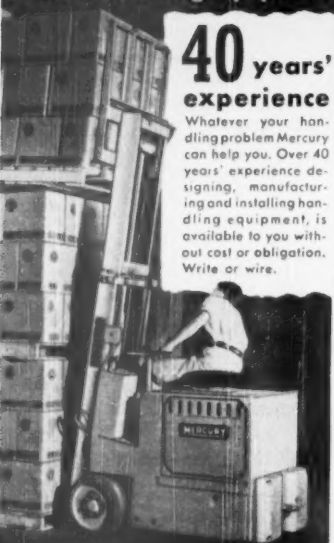
COPPERWELD STEEL COMPANY

1005 Monongahela Ave., Glassport, Pa.



Mercury

Material Handling Equipment

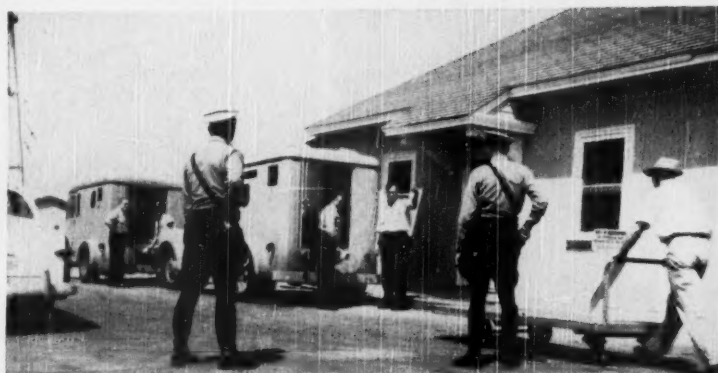


40 years' experience

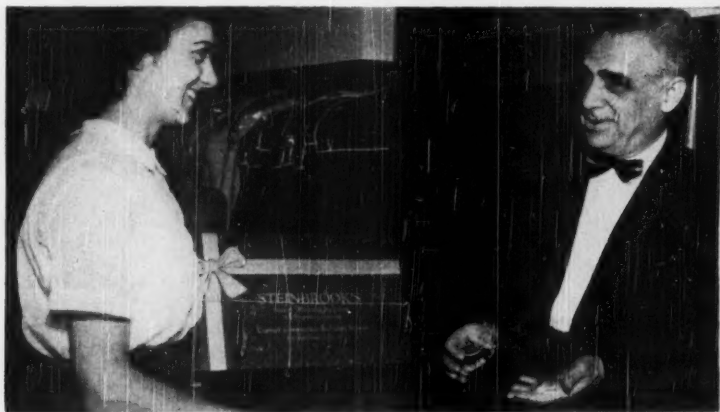
Whatever your handling problem Mercury can help you. Over 40 years' experience designing, manufacturing and installing handling equipment, is available to you without cost or obligation. Write or wire.

THE MERCURY MANUFACTURING COMPANY
4146 S. Halsted St., Chicago 9, Ill.

COMMUNITY RELATIONS



SAFE CONDUCT: Armored trucks toted \$250,000 of silver dollars to Seabrook Farms for two weekly payrolls. Seabrook had to arrange with the Mint to get the cartwheels.



IT'S A GOOD DOLLAR: Town merchants offered special bargains on Silver Dollar days. One women's wear retailer collected \$1,700 of the big coins in two days.

Seabrook Pays 'Em in

Food packer finds it's difficult to pay employees in "hard money." But stunt rings up publicity. And merchants benefit.

Any old money talks, but a silver dollar hollers.

Seabrook Farms Co. found that out in the last couple of weeks. Seabrook wanted to impress on its home town, Bridgeton, N. J., what it meant to have a big food packer and canner doing business there. To get the message across, Seabrook paid its 3,200 employees for two consecutive weeks in silver dollars.

The results were fine; everywhere they were paid out, the heavy silver coins caused talk.

But Seabrook also found out that, in these days of folding money, you run

into complications when you elect to deluge a community with \$250,000 worth of silver bucks.

• **First, Catch Your Coin**—First, there was the problem of getting the cash. Executives consulted their banker, Corn Exchange National, in Philadelphia, to start with. The bank told them to take the matter up with the Third District Federal Reserve. Finally, Courtney Seabrook, vice-president, went to Washington and succeeded in finding an ally in Mrs. Nellie Tayloe Ross, Director of the Mint.

Then, how to get the money to the



IN THE BAG: On payday, coins are counted into sacks as the Mint's Mrs. Ross watches.



MILKMAN COLLECTS—and gets a pocketful of hard money, enough to weigh him down.

Silver Dollars

plant? The answer was two armored Brink's express trucks, which labored up from the Philadelphia Federal Reserve under the load of one of the heaviest payrolls ever assembled in the East.

• **Clinks and Kinks**—There were some payday pains, too. The money was counted out into special cloth sacks with a big "Seabrook" imprinted on them. The weight of the bags gave the workers something of a list when they walked, but they served a good purpose. Every time someone hauled out his "purse" to make a purchase, there was the Seabrook name, to advertise its source.

Then the fun really began. Cash registers creaked like aching joints under the unexpected load. Movie house cash-



CONTAINERS BY FORT WAYNE!

Take great forests of cultivated pine, virtually unlimited raw material. Take massive conversion equipment, a 150,000 ton kraftboard mill, a bustling strawboard mill. Take four modern fabricating plants, placed just right for maximum service to America's major shipping areas.

Now blend high standards of workmanship and service with advanced methods of manufacturing, printing, testing. Add complete laboratory control of every production step from forest to loading platform. Refine all this with experience and technical knowledge amassed in 42 full years of container making.

That's Fort Wayne's time-proved formula for uniform, specified quality corrugated containers—the *right* containers for *your* product. Take advantage of it. Call on Fort Wayne.

CORRUGATED FIBRE BOXES
CORRUGATED PAPER PRODUCTS

Fort Wayne
CORRUGATED PAPER COMPANY

GENERAL OFFICES • FORT WAYNE 1, INDIANA

Plants:

Rochester, New York
Chicago, Illinois
Pittsburgh, Pennsylvania
Hartford City, Indiana

Mill:

Vincennes, Indiana

Affiliate:

Southern Paperboard Corporation
Port Wentworth, Georgia

Sales Offices:

Chicago, Ill.
Detroit, Mich.
St. Joseph, Mich.
Albany, N.Y.
Binghamton, N.Y.
Buffalo, N.Y.
Fayetteville, N.Y.
Jamestown, N.Y.
New York, N.Y.
Rochester, N.Y.
Cincinnati, Ohio
Cleveland, Ohio
Dayton, Ohio
Lima, Ohio



Newark, Ohio
Hartford City, Ind.
Indianapolis, Ind.
Muncie, Ind.

Washington, Ind.
Pittsburgh, Penna.
York, Penna.
Milwaukee, Wis.

America has a 3-Way Stake in its Airlines!

*The U. S. airlines gain time for the traveller—
help the shipper open new markets—give
the nation added air carrier strength in
peace or national emergency.*



NEXT time you see an airliner leave an airport runway and head for the horizon, remember you have a three-way stake in the far-flung network it represents.

As a traveller, the airlines gain you time... for a longer stay at your favorite vacation spot, for a holiday visit with loved ones, for an important business trip. *As a businessman*, the airlines give you faster delivery, smaller inventories, quicker turnover, bigger profits. *And as a citizen*, the airlines give your country emergency strength vital to preparedness... capable of maintaining the continuing needs of our economy in the event our security is threatened.

To handle this triple job, the airlines

are constantly modernizing their equipment... flying faster planes, planes with greater capacity, planes with more dependability and planes with greater earning capacity. And in no spot is this modernization more important than in twin-engine transports... the backbone of airline fleets for short and medium haul routes that reach throughout the nation.

The new twin-engine Martin 4-0-4 Airliner is a good example of airline progress. Already ordered by Eastern Air Lines and Trans World Airline, to modernize their twin-engine fleets, it flies 100 m.p.h. faster, carries 40 passengers in its pressurized, air-conditioned, comfortably quiet cabin. It's a worthy development of the dependable Martin 2-0-2, which has been serving passengers of Northwest Airlines and leading South American lines for almost three years. THE GLENN L. MARTIN COMPANY, Baltimore 3, Maryland.

Train in a field with a future... Aviation!
*See your local Air Force, Navy or Marine
recruiting officer for details.*

Martin
AIRCRAFT

Builders of Dependable Aircraft Since 1909

Manufacturers of: Military aircraft • Martin airliners • Guided missiles • Rockets • Electronic fire control & radar systems • Precision testing instruments • **Developers and licensees of:** Airplane fuel tanks (to U.S. Rubber Co.) • Marform metal-forming (to Hydropress, Inc.) • Honeycomb construction material (to U.S. Plywood Corp. and Aircraft Die Casters) • Structural adhesives (to U.S. Plywood Corp. and Bloomingdale Rubber Co.) • Permanent fabric flame-proofing (to E. I. duPont de Nemours & Co.) • Hydraulic automotive and aircraft brake • **Leaders in Building Air Power to Guard the Peace, Air Transport to Serve It.**

iers peered at their customers over columns of silver coins too big to fit in their change-making machines. Bank tellers' eyes glazed as they counted the big coins. Bill collectors' pockets sagged and frayed.

The impact was the greater because the company and its two unions—teamsters and meat and cannery workers—had urged employees to hold off on bill-paying until silver payday.

• **Bargain Day**—Not that the town was at all upset about it. Business was too good for any griping. One spokesman of the Bridgeton Merchants Assn. reported that trade was the heaviest for any week in recent years. Town merchants grabbed at the chance to do some cashing in of their own. Some hung up window banners proclaiming that a silver dollar down would get you a TV set, washer, or electric range. A grocer offered a special "silver dollar" package of canned goods, at a few pennies' saving.

The silver dollars didn't stay in Bridgeton. Some found their way to Philadelphia department stores; some went to Atlantic City. Some even traveled 100 miles to Reading, Pa.

There was some talk around town that Seabrook had another motive for the "Cavalcade of Cartwheels." Rumor had it that the company wanted to show town politicians that its farms were something to be reckoned with. There had been a bit of a ruckus over pollution of a local lake, which had been attributed to the company's dumping its wash water there. The question became a political football, till Seabrook kicked it off the field this spring by opening a canal to catch the drainage; now the water irrigates Seabrook crops.

Seabrook won't say the pollution angle had anything to do with it. But officials admitted it could look that way.

• **The Test**—With all the turmoil, there was no real rhubarb. For, as one woman put it when she hauled up her sack to pay a big bill, "It's money, isn't it?"

NEIGHBORLY WORKERS

Crouse-Hinds employees, in Syracuse, N. Y., did so well on their Good Neighbor Plan last year that they're going to do it again. Last fall, 1,665 workers at the electrical equipment plant raised \$15,000 in five hours for community charities—without ringing any doorbells.

What they did was to come to work one Saturday morning. They got overtime for this. They turned over the money they earned to five organizations: the Community Chest, American Red Cross, American Cancer Society, Infantile Paralysis Foundation, and the Christmas Toy Fund.

The Good Neighbor Plan was adapted from a similar venture at Kilian Mfg. Corp., in Syracuse.

8 PROFITABLE WAYS TO PERK UP BUSINESS

DURING SUMMER "LET-UP"

Hot weather jinx got your business? Sales slow? Action missing? For fast relief turn to telegrams—sure way to get attention and results every time!

Combat hot weather inertia . . . arouse summer sales interest . . . get things done quicker during shorter work weeks. Telegrams save time and effort . . . increase efficiency of slim vacation staffs. Telegrams can perk up your business during summer let-up. Let a Western Union representative show you how . . . today!

WESTERN UNION ACKNOWLEDGMENTS

THANK YOU FOR YOUR ORDER OF JULY 7. WE SHALL STRIVE TO MERIT YOUR COMPLETE APPROVAL OF OUR SERVICE=

WESTERN UNION CREDIT AND COLLECTIONS

YOU HAVE PROBABLY OVERLOOKED OUTSTANDING ACCOUNT. KINDLY FAVOR WITH REMITTANCE=

WESTERN UNION SALES PROMOTION

NEW NATIONAL CAMPAIGN STARTS NEXT WEEK. DISPLAY TIE-IN BEING SHIPPED YOU TODAY. PLEASE WIRE CUSTOMER REACTION=

WESTERN UNION RESERVATIONS

PLEASE RESERVE TWO ROOMS FOR OUR REPRESENTATIVES CHARLES CAREY, JOHN J. KELLER, JULY FIFTH, SIXTH AND SEVENTH. CONFIRM BY WIRE COLLECT=

WESTERN UNION PRICES

HAPPY TO INFORM YOU PRICE CARLOAD LOTS BEING REDUCED TEN PER CENT EFFECTIVE JULY FIRST. PLEASE WIRE YOUR REQUIREMENTS=

WESTERN UNION ORDERS

NEW STOCK SOLD OUT OVERNIGHT. PLEASE SHIP ANOTHER CARLOAD IMMEDIATELY. CONFIRM BY WIRE=

WESTERN UNION SHIPMENTS

IMMEDIATELY ON RECEIPT YOUR TELEGRAM ARRANGED TO SHIP YOUR ORDER 2875 ONE DAY EARLIER=

WESTERN UNION CONDUCTING OPERATIONS

JONES & CO. FOUNDRY SCHEDULE DELAYED UNTIL BLUEPRINTS ARRIVE. PLEASE ADVISE BY WIRE=

Be sure of fast, dependable delivery

You can rely on speedy, always "on time" telegrams. Day or night, your message gets off—and "right now!" Avoid disappointment and risk of "too late" delivery. Don't write—telegraph!

WESTERN UNION TELEGRAM

HR24 PD= JOHN DOE & CO= ANYWHERE USA=

Envelope GILBERT Bond

an exclusive Gilbert development in
bond paper that assures instant,
permanent sealing of envelope flaps

Sticks Today! Sticks Tomorrow! Sticks Forever!



• This new Gilbert Envelope Bond gives you a combination of TWO major advantages never before obtainable in a 25% new-cotton-fibre paper.

1. It permits you to use a handsome envelope that matches your fine bond letterhead paper in attractiveness.
2. And, for the first time, it assures instant, positive, *permanent* sealing of these envelopes by hand or high-speed machine methods.

Exceptional Gum Affinity—Gilbert experience and resources have produced a 25% new-cotton-fibre paper to which the gum adheres with tremendous adhesive strength—*instantly and for the life of the envelope!*

Saves Mailing Time—Ends annoying, costly failure of envelopes to seal . . . eliminates rechecking operations . . . gets mail out on time without overtime.

Prevents Loss of Contents—Gilbert Envelope Bond is strong and tough. No more broken or unsealed envelopes going out, to invite snooping or to permit loss of valuable contents.

Highly Opaque—No show-through of contents or messages. Strictest privacy guards your correspondence when you use Gilbert Envelope Bond.

Matching Appearance—The new cotton fibres used in making Gilbert Envelope Bond assure beauty and character that match fine bond writing papers.

No Extra Cost—This combination of extra features, available in no other envelope bond, is supplied in Gilbert Envelope Bond at regular prices. *Demand this extra value!*



FREE PORTFOLIO. Write on your business letterhead for free samples of Gilbert Envelope Bond envelopes and a representative group of all Gilbert Quality Papers.

GILBERT PAPER COMPANY

Established 1887 • Menasha, Wisconsin
BOND • ONIONSKIN • LEDGER • INDEX
BRISTOL • MANUSCRIPT COVER •
VELLUM • BLUEPRINT • DRAWING •
TRACING • SAFETY • SECURITY and
CURRENCY PAPERS

25% . . . 50% . . . 75% . . . 100% New Cotton Fibre
. . . Tub Sized . . . Air Dried.

READERS REPORT:

Well Done

Sirs:

A good publishing job, well done, I feel should be acknowledged. The editorial content of *BUSINESS WEEK* is unusually good. But what is more, the editorial style is fresh, vigorous, and to the point.

For example, your article on Powder Metals Hammer at the Market [BW—Jul.1'50,p38] is one of the very best articles on the subject that has appeared. About the only thing of importance it didn't cover was the development of large 6-ft. porous metal sheets, here in Ohio, that are now being used at the NACA Laboratories.

Since many of us complain so easily on a bad editorial job, by some books, I think we should acknowledge the good ones that evidence a clear-thinking editorial staff.

HARM WHITE

PRESIDENT,
WHITE ADVERTISING CO.,
CLEVELAND, OHIO.

Grover North, Not South

Sirs:

With reference to Business Briefs [BW—Jul.1'50,p30], please note that you have been kind enough to mention our company but in doing so gave the address of our company as Grover, South Carolina.

Our mailing address is Grover, North Carolina. It is very important to us from a geographical standpoint that we be known in the trade as being in Grover, North Carolina, as that point is approximately the center of Jacquard weaving industry.

IRVING S. BAXTER

PRESIDENT,
BAXTER PAPER CORP.,
GROVER, N. C.

More on Brannan

Sirs:

You say: "The Brannan proposals are without moral basis because they are openly and cynically designed with the primary purpose of obtaining a political advantage for the administration in power."

Are not all government proposals designed, if not primarily, at least largely, with an eye to "obtaining a political advantage for the administration in power"? And isn't that the reason why we should retain a strictly limited government?

O. W. COOLEY

INDIANAPOLIS, IND.

Sirs:

I have been especially interested in your discussion of the farm program.

Too many men in our industry are selling too much of their output to the government instead of going out and trying to open new markets.

It is very easy to sell to the government at a fixed price. Too much of our good butter is going to the government, and too much of our poor butter is going to our regular customers.

WALTER B. MOLER

DAYTON, OHIO

Sirs:

After reading Mr. Brannan's letter in your June 24th issue and your editorial, I can only conclude that the cynic is *BUSINESS WEEK*. The editorial has a cheat-the-government attitude.

EVERETT A. PESONEN
SACRAMENTO, CALIF.

Sirs:

I have sent this letter to Secretary Brannan.

This is in reply to your letter published in the June 24th issue of *BUSINESS WEEK*. You have missed the point on the "morality" issue, entirely. The point is that beginning with the Roosevelt administration, the policies of the Dept. of Agriculture have changed the once militantly individualistic farmers into a group of vacillating beggars who think they cannot exist without a perpetual handout from the government.

You state that net farm income has declined 30%. That's nothing. My income is off 50%, and I have laid off 50% of my employees. Many of my clients in the manufacturing industry are closed down entirely.

There is no justification in price supports or subsidies to farmers or to anyone else. Paying a farmer for erosion control and increasing the fertility of his land is absolutely asinine. If he is a farmer worthy of the name, he will do it without pay simply as a matter of good business procedure.

The Brannan Plan tries to work both ends against the middle: high prices for the farmer, low prices for the consumer, and the government paying the difference. One more short step could lead to collective farming.

C. V. EASTERWOOD
INDUSTRIAL APPRAISAL CO.,
MEMPHIS, TENN.

Need a Trade Name?

Sirs:

I can't tell you how much I enjoy *BUSINESS WEEK*, which is the more rea-

son I hesitate to chide your editors. As a matter of fact, I am really sending them a compliment for the trade name of the boat they have pictured is Saticraft [BW—Jun.24'50,p83], and I wonder if the trade name they have coined, "Saltcraft," isn't a pretty good one that some up-and-coming marine operator ought to make use of.

CRITCHELL RIMINGTON
YACHTING, MANAGING EDITOR,
NEW YORK, N. Y.

Cooley Bill

Sirs:

I was amazed to open your June 10th issue to find on page 82 that your article entitled "Produce Plight" states the case for the Cooley bill in almost the same language that the USDA officials used. In your second paragraph, you indicate that there is virtually no opposition to the bill. The record of the hearings indicates that there were 34 witnesses testifying for the bill and nine witnesses against it. This whole scheme, apparently hatched within the USDA, is just another farmer vote-buying plan.

The facts are that the need for big city central produce markets is declining fast. The obsolete and tumbledown conditions, found in some of the bigger cities, are due largely to the rapidly declining wholesale produce business.

PHILIP G. KUEHN

THE WISCONSIN COLD STORAGE CO.,
MILWAUKEE, WIS.

Branch Plants Again

Sirs:

The proposal of Mr. Frederick March [BW—Jul.8'50,p40] that branch managers of free loading big business should be "educated" by the branch towns is one of the two most over-worked dodges of big business in avoiding picking up its share of the check.

Approach the branch manager, and he "has to take it up with New York." Take it up with New York, and "our branch offices are strictly autonomous."

If only for the reason of enlightened self-interest, and perhaps self-preservation, big business should look at this problem and stop kidding itself in thinking that branch communities swallow the story of policy determination at the local level. Letters received indicate no area escapes "being treated like a colony"—as one writer put it, with the bitterness characteristic of them all.

I don't believe that that bitterness is healthy for big business; nor that the "savings" that big business makes in chiseling on its branch community responsibilities are any wiser than making "savings" on the advertising budget.

FRED A. CUTTER

CUTTER LABORATORIES,
BERKELEY, CALIF.

It pays to use your custom molder's know-how

... when you want something
to look better and cost less

No. 19 in a Series on Plastics
Skill at Work ...



Californians who refresh themselves with Sparkletts spring water voiced no complaint about the old metal and rubber rack-type carafe handle. Even so, the Sparkletts people figured there might be a smarter design, new product interest, and lower cost, if the problem were attacked from a new angle.

An experienced custom molder was called in, given the objectives, and asked for suggestions. While custom molders are essentially engineers and production men, their knowledge of plastics properties is always useful in matters of design. Sparkletts found it extremely so.

Using the freedom of design permitted by plastics, the molder conceived and produced a two-piece holder

of strong, lustrous Durez that has won many compliments and much new business for the bottling firm.

Success from the cost angle was spectacular too... the Durez pouring holder costs only half as much as the metal one it replaced. The old holder contained thirty parts, and the new one contains only six.

Whether or not you have a full-scale design department, your custom molder can take a constructive part in your new or revised product planning. Let him help you profit from the versatile properties of Durez and other plastics. Durez phenolics specialists are also available for free consultation. Write Durez Plastics & Chemicals, Inc., 407 Walck Road, N. Tonawanda, N.Y.



PHENOLIC PLASTICS THAT FIT THE JOB

CLEANLINESS is your BEST SALESMAN

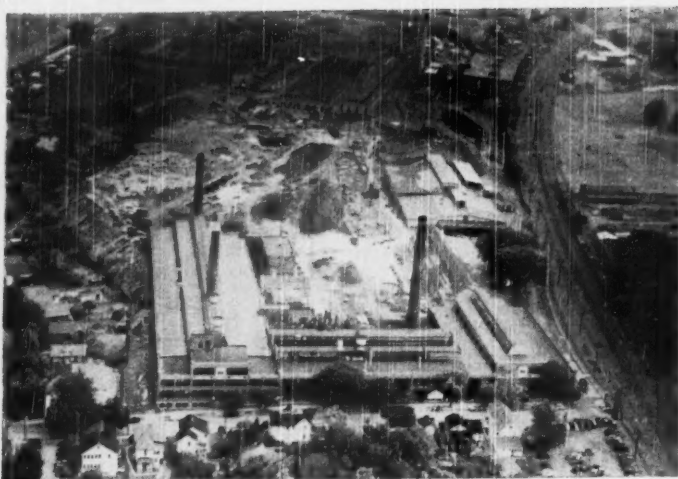


A clean uniform will make every employee a special salesman for you. Employees in crisp cotton reflect a morale that instills confidence — they create an atmosphere that leads to pleasant business dealings. Cleanliness sets the stage and establishes the important first impression your customer receives.

Clean, fresh cotton work uniforms, towels and other supplies are available on a service basis through local Servilinen agencies. Check your telephone directory today — guard the health of your employees and equip them for a better production and selling job.

LINEN SUPPLY ASSOCIATION
OF AMERICA
and NATIONAL COTTON COUNCIL

CITIES



TENANT BAIT: When I-H moves out of its Auburn (N. Y.) plant, it will leave a big hole.



TARGET DATE: By November 1, boosters Smith (left) and Adams want to fill it.

How Not to Be a Ghost City

Auburn, N. Y., faced a prospect of 2,000 jobless from plant shutdowns. So the local industrial doctors put their heads together to work a cure. Now it looks as if the patient had cured itself.

A year ago, the little city of Auburn, N. Y. (population, roughly 35,000), felt like a second "deserted village." International Harvester, which employed some 1,700 in its local hay-baler plant, was moving out. American Locomotive Co. was laying off an additional 250 workers.

Last week, the deserted feeling had vanished. The city's Industrial Development Committee had signed its first tenant to fill up some of the hole I-H is leaving. Remington Corp. (air conditioning), Cortland, N. Y., is leasing about an eighth of the I-H plant, will employ about 250 workers. Two or three other

contracts are in the works right now.

This might be just a drop in the bucket. But it was important to Auburn because it was the direct result of Auburn's own efforts; it was a tangible sign the community wasn't licked.

• **Sold for \$1**—Everybody was in on the rescue work. International Harvester itself gave the drive a boost when it offered to sell its plant for \$1; the only string was that the buyer had to be a nonprofit organization. Auburn's Industrial Development Committee was just that; it paid its dollar and took title to the plant a couple of weeks ago. Now it's on a seven-day-week hunt for tenants to fill it before November 1, when I-H will have pulled out completely.

I-H wanted to move mainly because the plant was not equipped to turn out the heavy machinery I-H makes now, and it would cost \$2-million to fit it for the heavier duty. If the company was going to sink that much money in a plant, it thought the Middle West would be the place to do it, nearer I-H's big market.

• **To the Rescue**—Last November, Auburn's Industrial Development Committee got on the job. Frank Smith, district manager of the New York State Electric & Gas Corp., was named its chairman.

First, Smith and his cohorts tried to find one tenant to take the whole plant. By the first of this year, they had given up. Getting a lot of tenants would be more complicated they decided, but it was the best thing to do.

Almost before they knew it, the whole town was working at it. Aside from the employment angle, the I-H properties' city and county tax assessment came to \$995,000.

L. R. McLeod, another Electric & Gas man, got out two promotion booklets; the local Finger Lakes Press printed them free. Local businessmen and manufacturers mailed the 10,000 copies to their suppliers, national advertisers, prospects.

The Junior Chamber of Commerce got in on the deal. It launched a "Know Your Auburn" campaign. The Citizen-Advertiser, an Auburn daily, put out a special edition, all about Auburn. WMBO, the local Mutual affiliate, aired special programs on the home town. High school editorial contests got the youngsters writing essays on the subject. Quizzes were put on to pique adult interest; window exhibits in main street stores appealed to local pride.

• **Money, Please**—Then the committee ran into a familiar wall: money trouble. To do the sales job it aimed to do would take \$25,000. "We plan to make the I-H property as attractive as possible for any industry moving in, and this costs money," they said. The committee was even ready to buy new

Creative Package Engineering



this corrugated dispenser box

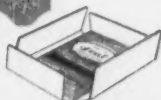
Protects . . . identifies . . . displays . . . dispenses
 . . . sells . . . cuts packaging costs. This is creative
 package engineering—*package action*. Applied to
 YOUR product it will give you pronounced competitive
 advantages—complete protection, favorable attention,
 sales stimulation. Consult Hinde & Dauch,
 Executive Offices, 5001 Decatur St.,
 Sandusky, Ohio.



HINDE & DAUCH

Authority on Packaging

Write For The H & D 11-Volume "Little Packaging Library."



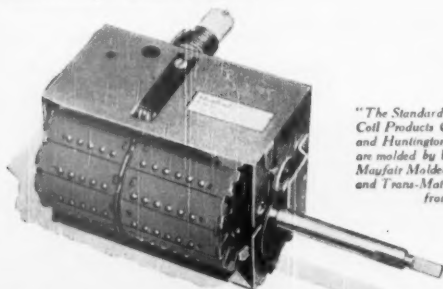
FACTORIES AND SALES OFFICES IN: Baltimore • Buffalo • Chicago • Cleveland • Detroit • Gloucester, N. J. • Hoboken, N. J. • Kansas City, Kan. • Lenexa, Mo. • Richmond, Va. • Sandusky, Ohio • St. Louis • Watertown, Mass. SALES OFFICES IN: Akron • Battle Creek • Cincinnati • Columbus • Denver • Erie, Pa. • Fairfield, Conn. • Findlay, Ohio • Greensboro, N. C. • Indianapolis • Miami • Minneapolis • Olean, N. Y. • Omaha • Philadelphia • Pittsburgh • Reading, Pa. • Roanoke, Va. • Rochester • Toledo • Worcester, Mass. IN CANADA, HINDE & DAUCH PAPER CO. 60 CANADA, LTD., Toronto • Montreal • Chatham • Calgary • Halifax • Hamilton • Kitchener • London • Peterborough • Quebec • Regina • St. John, N. B. • St. John's, Newfoundland • Vancouver • Winnipeg



16 Precision TV Parts every 30 seconds ... from new fast-curing **PLASKON ALKYD**

Many inherent properties make it a wise choice in plastics for industrial and electrical products. But the *big* thing about Plaskon Alkyd is the faster, simpler, less expensive way it can be molded! In the molding of parts for a television tuner, for example, one manufacturer reports that he is molding 16 TV parts every 30 seconds. And each part is precision-made to tolerances as close as .005".

Thermosetting Plaskon Alkyd can be molded at much lower pressures ... in simpler, less expensive dies. It cures in seconds instead of minutes. Summarizing these and other vital advantages, here, truly, is new magic in plastic molding. Qualified technical advice is available to help you adopt Plaskon Alkyd for your products. You, too, may be able to mold your parts faster and at lower costs with fast-curing Plaskon Alkyd.



"The Standard Tuner" is made by Standard Coil Products Company, Chicago, Illinois, and Huntington Park, California. The parts are molded by Wilcox Plastics, Los Angeles; Mayfair Molded Products Company, Chicago; and Trans-Matic Plastics Company, Chicago, from Plaskon Alkyd.

PLASKON

ALKYDS

PLASKON DIVISION
LIBBEY-OWENS-FORD GLASS COMPANY
2119 Sylvan Avenue, Toledo 6, Ohio
In Canada: Canadian Industries, Ltd., Montreal, P. Q.
Branch Offices: Boston, Chicago, New York, Los Angeles,
Rochester, San Francisco
Manufacturers of Molding Compounds,
Resin Glues, Coating Resins

equipment if a likely prospect came along.

Karl Adams, a local insurance broker, volunteered to raise the cash. He got it, twice over.

• **Come One, Come All**—Every large Auburn industry fed the kitty; they accounted for 25% of the total collected. Retail merchants gave 60%. The rest came from here, there, and everywhere.

Teachers contributed \$500. Churches, hospitals, and Blue Cross chipped in. So did Auburn's prison guards, whose jobs don't depend on local enterprise. The county medical society forked over \$1,800. The smallest gift was \$1, from Mrs. A. H. Fritts, who gave "her widow's mite from her small pension." The first contribution, for \$5, came from a laid-off I-H worker, who was "investing in his future."

When the grand total was added up, the committee had \$50,000. And all but six of the gifts were in cash. Of the pledges, only one defaulted. "Quite a record for any campaign," booster Adams commented.

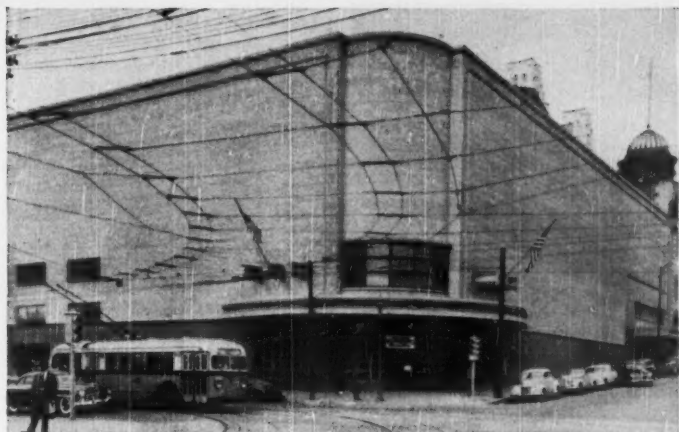
For I-H's part, Smith said, "I-H, all its management and staff, specially plant manager Grayson Tucker, have done an extraordinary job of inconveniencing themselves to assist us. They guide prospects through the plant day and night."

• **Competitors**—In their search for companies, the Auburn committee found competition from southern towns, also on the lookout. Operating costs looked lower there. But several who studied what the South had to offer reported that, what with installing schools, sewers, and other such, it would be cheaper to stay in the North.

Sales points the Auburn committee offered were: a good central location, in the Finger Lakes district of New York; good rail connections; unlimited water. It also had, as of June, a "surplus labor market of at least 3,000 persons," according to the State Division of Placement & Unemployment Insurance. There's a great pool of skilled and semiskilled labor available, one interviewer said. And added, "There are no slackers around here."

Labor, quite naturally, backed the drive as hard as anyone. Tom Brogan, secretary of the Auburn Federation of Labor, can rarely be found at home. Asked why, he said, "I'm out making contacts, trying to bring in new jobs."

• **To Stay**—Some sidelights on the campaign show how Auburn feels about the whole thing. One manufacturer said he would gladly contribute \$1,000 for the next three years if the fund would be made a permanent annual affair. Retail merchants on Auburn's Genesee Street reported a sharp upturn in business after the fund topped its quota by 100%. "We knew we were here to stay," one merchant said.



SOMEONE forgot to insure Denver's \$300,000 auditorium annex. Now it's covered fully.



CITY garage was over-insured, equipment stored there wasn't covered. That's been changed.

Denver Unsnarls Its Insurance Setup

Some buildings had too much insurance, others didn't have any. But Denver found a way to clean up the mess.

Municipal housekeeping is so sprawly and complicated, it's easy to sweep dirt under the rug. Denver's city and insurance officials know. They have just finished a thorough house-cleaning of a messy insurance situation.

• **Insurance Snafu**—In Denver, heads of city departments had been buying their own insurance. Naturally, politics and personal favoritism entered into the system. City Hall was the battleground for insurance agents, fighting to get business that never amounted to more than \$25,000 a year. In the confusion, many city buildings were either under-insured or were not insured at all. A lot of ancient buildings, not even worth the premiums, were heavily insured. Hundreds of policies were in force, but no one man knew about more than a few of them.

• **Too Much or Too Little**—Young Mayor Quigg Newton enlisted the aid

of Denver's Assn. of Insurance Agents in the clean-up. Here are some of the situations they uncovered:

A \$300,000 annex to the city auditorium had been built before the war. But no one had thought to insure it. And the main auditorium next door was only covered for 38% of its worth.

There were 78 separate small policies covering a sprawling city hospital group, but none of them gave protection against such dangers as explosions, always a hazard in hospitals and laboratories.

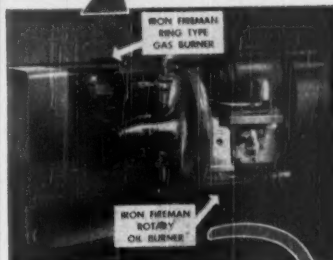
Old buildings that housed the city's street equipment were heavily insured against fire, but there wasn't a dollar's worth of protection for the \$1-million worth of equipment stored in them every night.

The insurance agent's association, under the chairmanship of C. W. Schoelzel, Jr., helped city officials work

IRON FIREMAN

**GAS-OIL
BURNER**
*fires either fuel
efficiently*

FOR COMMERCIAL HEATING
OR INDUSTRIAL PLANTS



*fuel changes made
easily-quickly*

Guard your buildings or plant against seasonal or emergency fuel shortages with this Iron Fireman combination oil and gas burner. Only a few minutes notice is required to enable you to switch from one fuel to the other.

Iron Fireman Ring type gas burner is designed for either natural or mixed gas, and will operate equally well with forced or natural draft.

The Iron Fireman Rotary oil burner fires any grade of oil without special adjustment, from the lightest up to the heavy industrial oils (No. 6). Iron Fireman's exclusive Oil Volumeter maintains steady, even oil flow regardless of viscosity. Heat-rich, low-cost industrial oils can now be fired as easily as the refined domestic oils.

Every installation is engineered for most efficient application to your individual requirements. Sales and engineering service throughout U. S. and Canada.

Write for illustrated folder to Iron Fireman Mfg. Co., 3230 West 106th St., Cleveland 11, Ohio. Plants in Portland, Oregon; Cleveland, Ohio; Toronto, Canada.

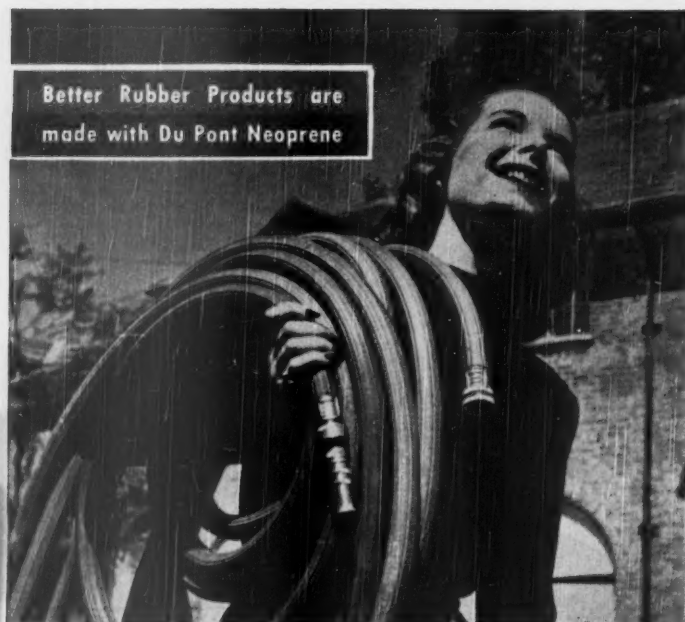


Can you afford to waste
what Iron Fireman
users are saving?

IRON FIREMAN

Automatic Firing with
GAS, OIL, COAL

**Better Rubber Products are
made with Du Pont Neoprene**



HARDY PERENNIAL IN THE GARDEN

**Garden hose with tough neoprene cover
withstands season after season of hot summer sun**

A normal day in the yard exposes garden hose to its worst enemies . . . influences that considerably shorten the life of ordinary hose. But when hose has a cover of Du Pont neoprene, it resists the deteriorating effects of broiling sun, weathering, aging, abrasion, flexing . . . contact with oil and grease. It stands up so well some manufacturers even tag each length to tell customers the many years of service they can expect from it.

Gardens aren't the only place you'll find neoprene around the house. Rubber manufacturers are using it for an ever-increasing range of top-quality household products from gloves to faucet washers. And for industrial purposes, manufacturers have found highly profitable applications for neoprene in a huge list of outstanding products, in-

cluding belts, gaskets, diaphragms, pump impellers and many, many others.

In both consumer and industrial fields, the list of old and new products being improved with neoprene continues to grow at an exceptional rate. And neoprene's highest endorsement lies in the fact that it is used in only the finest-quality rubber products.

So when you have a tough job for a resilient product to do—think of Du Pont neoprene first. Ask your rubber goods manufacturer or tell us about your problem. While we do not make finished products of neoprene, we'll be glad to help you and assist you in finding a source of supply.

Rubber Chemicals Division
E. I. du Pont de Nemours & Co. (Inc.)
Wilmington 98, Delaware.

GARDEN HOSE •
OIL HOSE •
CONVYTOR •
• COATED •
TIAPHRAGM •
GS • WASH

NEOPRENE



BETTER THINGS FOR BETTER LIVING . . . THROUGH CHEMISTRY

AIR HOSE •
NG GASKET
FIELD EQU
GLOVES •
FETY SOLES
UBING • RU

out a new insurance program—and put one man in charge of buying all the city's insurance.

• **Five-Year Plan**—Denver's five-year budgeted insurance program works out like this: The city carries all risks that it can pay out of revenue. In most cases, the city self-insures risks of less than \$100,000. But where big losses would make a real hole in the budget, insurance companies write the policies.

Actually, the program costs Denver less, gives better coverage. Association members agreed to write policies in rotation. Policy writers get a top fee of \$50, turn it into a kitty to be divided at the year's end, according to the amount they pay into the association.

Seattle Has Dry Run Of Atomic Warfare

With the fighting in Korea sounding a grim accompaniment, Seattle started a dry run of atomic bombing last week. The "bombing" is part of a three-city experiment to find out just what a region is up against when and if an A-bomb hits.

The problem was posed by the National Security Resources Board. Washington, D. C., had its test earlier this year. Chicago is scheduled to get one in the fall. When all three are completed, a federal guide will be drawn up to help cities and states organize their resources to meet any devastation.

• **Attack**—The Seattle "disaster" started with notice that the area was in imminent danger of enemy attack. Then it got the alert. In the final stage, two paperwork explosions went off—one in 96 ft. of water, in the harbor near dry-docks; the other, 2,500 ft. above a canal, near a thickly settled residential area.

While observers from every major city on the Pacific Coast watched, Seattle top officials put in a hard two weeks figuring just how they would cope with the problems.

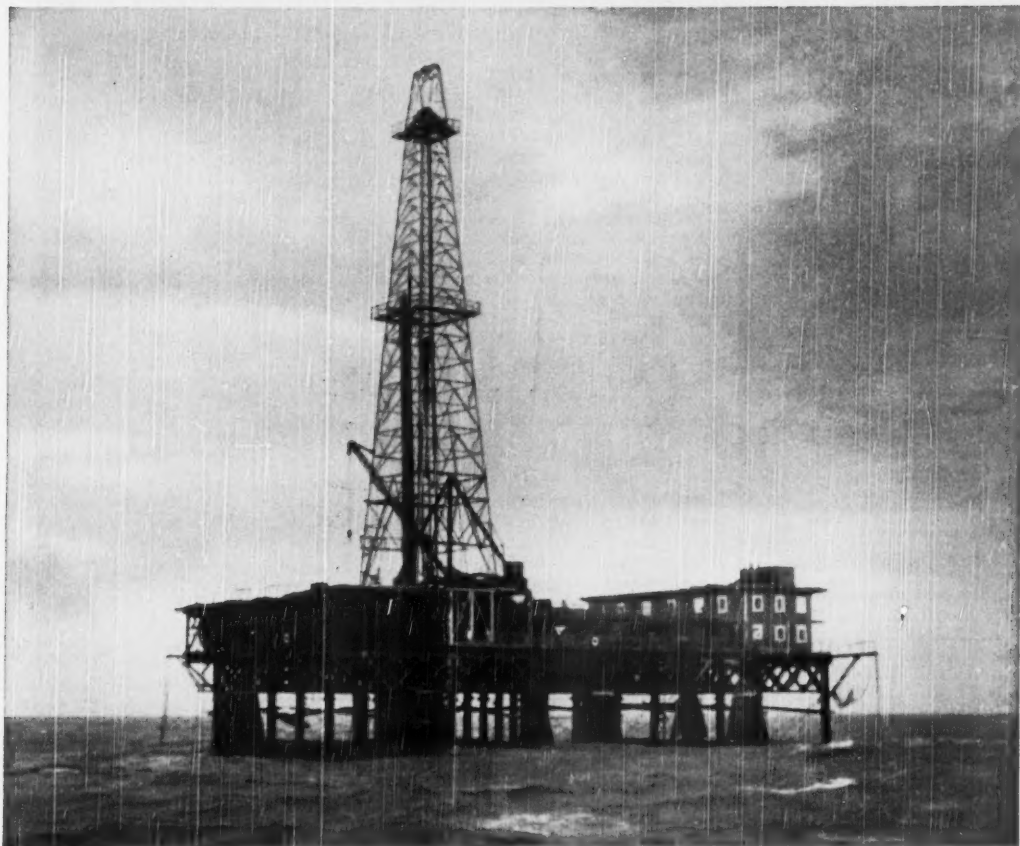
NSRB specified exactly what destruction the blasts caused—including 250,000 killed by the air explosion.

• **Rescue Work**—To meet the situation, heads of major city departments formed a civil defense board, headed by Mayor William F. Devin. Staff services were set up for communications, transportation, mutual aid (from other cities), information, personnel, training, etc.

The residents themselves took no part in the work. The newspapers carried short reports. Despite all precautions, the reports brought worried requests for gas masks.

Some of the problems: How does a city ration food, clothing, fuel, and other essentials? Where are the evacuees to go? How is their clothing to be checked for radioactivity?

OIL FROM WELLS BENEATH THE SEA



A sizable and growing part of the fuel to power this country's motor cars and diesel engines now comes from under the sea. Offshore drilling for oil started some years ago along the California coast. Now oil is flowing both from wells in the Pacific and in the Gulf of Mexico.

The potential oil production from deposits locked in the Continental shelf is enormous. The producing "field" skirting the Texas-Louisiana coast alone is said to contain reserves estimated at from 4 to 10 billion barrels (170 to 420 billion gallons).

Tapping a submarine pool of oil, sometimes as far as thirty miles from shore, is a formidable job. The man who drills for oil under the sea has a lot of special worries of his own: storms, for one thing, and tight working space,

and problems connected with handling the oil and getting it to storage points on land. His equipment needs are correspondingly specialized.

Bethlehem supplies all types of equipment used in offshore oil production. Steel derricks and drilling machinery. Drilling platforms constructed of steel for use in locations where the depth of water may be as much as fifty feet. Giant drilling barges that are sunk to the bottom for drilling oil wells in the marshlands and bayous of Texas and Louisiana and other areas where the water is shallow.

Our service to the oil industry on drilling barges starts with the keel-laying and ends with the barge complete, including all the necessary drilling equipment and crew's quarters, ready to start work on its first drilling assignment.

BETHLEHEM STEEL



SERVES THE NATION

THINKING OF GOING INTO
?
BUSINESS
Then Think Of
MAINE

Plenty Of Good Processing Water.

Maine Workers Are "Producers"
And Take Pride In Their Work.

In Maine You'll Have Easy Access
To The World's Largest Markets.

CONFIDENTIAL
Ask one of our industrial
experts to call and give
you specific information.
Write today for a FREE
brochure and information
on Maine's industrial ad-
vantages. Your request
will be confidential.

MAINE DEVELOPMENT COMMISSION
State House • Augusta 1, Maine

STATE-MAINE
GEARED TO
INDUSTRY

Where Accuracy is a Must— insist on **Bendix-Friez INSTRUMENTS**

**The Right Instrument
for Any Weather Condition!**



In air pollution problems, in production processing, in plant operations, weather is important. . . . Whatever your needs for weather data, and wherever you need to collect them, BENDIX-FRIEZ makes the proper instrument for the purpose. Manufacturers of the world's finest meteorological instruments and principal supplier to the United States Weather Bureau for almost 75 years. Prices and literature will be sent on request.

FRIEZ INSTRUMENT DIVISION of

1418 Taylor Avenue
Baltimore 4, Maryland

Export Sales: Bendix International Division
72 Fifth Avenue, New York 11, N. Y.



Pay-as-You-Rent in L.A.

Hayden-Lee Corp. develops industrial tract around Los Angeles International Airport by offering tailored plants on easy terms. Low down payment plus 139-month rental buys plant.

A small business can have first-rate earnings prospects, but it rarely has much pocket money. Hayden-Lee Corp., developer of a large tract to the east of the Los Angeles International Airport, had that fact in mind when it set up its plans for attracting business to the new industrial area. It is offering custom-built plants to small manufacturers on a pay-as-you-rent basis.

• **Rental Instalments**—Hayden-Lee will build a modern masonry building on its tract, tailored to the purchaser's special needs. It sells the plant to him on a monthly rental basis—at 4½¢ a sq. ft. or less. The buyer puts down 12 months rent and pays off the balance over 139 months.

Say you need a building with 10,000 sq. ft. floor area on a 20,000 sq. ft. lot. Hayden-Lee builds it. You pay down \$5,400 (12 months rent at \$450 a month) and move in. Then you pay \$450 a month (4½¢ a sq. ft. x 10,000 sq. ft. floor area) for 139 months (11 years, seven months). At the end of that time, you own your own building and land clear.

That would mean a total investment of \$67,950. This is considerably more than it would cost you to finance a new plant on your own. In that case, the same layout would probably involve a down payment of about \$22,500 and monthly payments of about \$225 for 132 months—or a total investment of only \$52,200.

• **Long-Run Saving**—In spite of the almost \$16,000 higher final cost, companies that have taken plants on the Hayden-Lee tract prefer it to building on their own for two reasons: (1) It's tough to haul as much as \$22,500 out of working capital to make a down payment; \$5,400 is not so bad. (2) They believe that by retaining or, in a sense, investing the \$17,100 difference (between \$22,500 and \$5,400 in working capital), they can earn the difference in final cost.

Taxwise, the Hayden-Lee deal works out the same as building your own plant. Buyers can deduct real estate taxes, insurance, interest, and depreciation on their Hayden-Lee building as a business expense when they figure their income tax.

• **Three-Way Profit**—Of course, there is a profit in the deal for the developers, too—a three-way profit. Hayden-Lee gets a profit from subdividing the land. It also profits as a builder, and it profits from its share in the financing. Three

banks and an insurance company carry the rest of the financing load; first paper usually goes to the insurance company.

Since they opened the tract several months ago, the developers have sold 750,000 sq. ft. for 12 projects. When the whole development is completed—in four years at the latest, according to present plans—there will be approximately 100 buildings worth an estimated \$15-million. Total area to be developed is 3,100,000 sq. ft.

The number of buildings to be built will depend upon several large deals now on the fire. Though 70% of inquiries have been from people wanting 20,000 sq. ft. or less, several firms are interested in parcels as big as 100,000 to 500,000 sq. ft. Largest building sold so far has been 45,000 sq. ft.

• **Hayden & Lee**—The Hayden part of the company is Sam Hayden, who sold his Century Aluminum Co. three years ago to go into tract development. S. Charles Lee, one of the country's outstanding theater architects, fills the other half.

One thing Lee insists on is a controlled building plan to keep the area from becoming an industrial slum. Buildings must be set back at least 18½ ft. from the 60-ft. wide streets. Plant surroundings may be landscaped or paved for parking.

• **Labor and Location**—Two advantages of the airport tract in addition to financing are its location and labor supply. The tract is part of the long "finger" of the city of Los Angeles which reaches down in county territory to pick up the airport. The eastern boundary of the tract is also the boundary of that finger. Inclusion in the city gives the tract water from Owens Aqueduct and the Colorado River, the Los Angeles address, a local telephone, low power costs, and a 6-in. gas line.

Labor supply is more important than first glance might indicate. Thousands of skilled workers live within a few minutes of the tract. They were trained for aircraft production work at nearby plants during the war. Now, with aircraft employment down, they drive miles to other jobs across the country.

Some of the small manufacturers already in the tract are: Koolvent Metal Awnings, Hollywood Silk Co. (rainwear from vinylite plastics), AB Sign Service, Sugar and Spice baking chain, Sanford Inc. Mfg. Jewelers, C. E. Duggan & Son Luggage and Hardware, and Model Die Casting Co.



FIREMAN, FIREMAN, SAVE MY SURFACE!

Many a fireman has kindled a spark in the eyes of needy little children with old toys he's repainted. This repainting proves the slogan about "saving the surface", for the playthings are no less attractive and lovable in their new paint jobs.

DIAMOND ALKALI makes a paint ingredient which enables paint to spread evenly over chipped and scarred surfaces. We call it Surfex. Surfex controls the paint's penetration. It prevents dull spots from developing where raw wood sucks in the paint deeper than in the area around it. DIAMOND also makes Chlorowax, one of the ingredients used to make paint and plastics flame-retardant. It is perhaps the most dramatic product to emerge from DIAMOND's continuous search for new chemicals for better, more versatile paints.



Chemicals you live by

DIAMOND ALKALI COMPANY...CLEVELAND 14, OHIO

SODA ASH • CAUSTIC SODA • CHLORINE & DERIVATIVES • BICARBONATE OF SODA • SILICATES • CALCIUM COMPOUNDS • CHROME COMPOUNDS • ALKALI SPECIALTIES



Meet the "kitchen engineer"
who speeds the trend... to Refrigerator Parts of
REYNOLDS ALUMINUM

Leading manufacturers are putting more and more aluminum into refrigerators, home freezers...as in this Westinghouse*, featuring aluminum humidrawers, ice-cube trays, meat keeper, automatic defrost water tray, butter keeper and freeze-chest doors, handle, escutcheon plate. The trend is to aluminum because this light high-strength metal never rusts; it takes a chip-proof finish; and it can even be anodized in jewel-like colors like the blue trim in the picture!

And women are now "putting more and more aluminum into refrigerators," in the form of Reynolds Wrap. Millions of women cook, bake, store

and freeze food in this pure aluminum foil. They are more than ever aware that aluminum is the basis of advanced refrigerator features: big vegetable pans, light to lift and easy to clean; faster-freezing trays; rustless, stain-free shelves.

So, while leading refrigerator and appliance manufacturers fully recognize the premium advantages of aluminum...there is now a vast new mass movement toward its greater use. It's because of Reynolds Wrap. America's millions of "kitchen engineers" have become aluminum experts. And, in the products they buy, what they want is aluminum...Reynolds Aluminum!

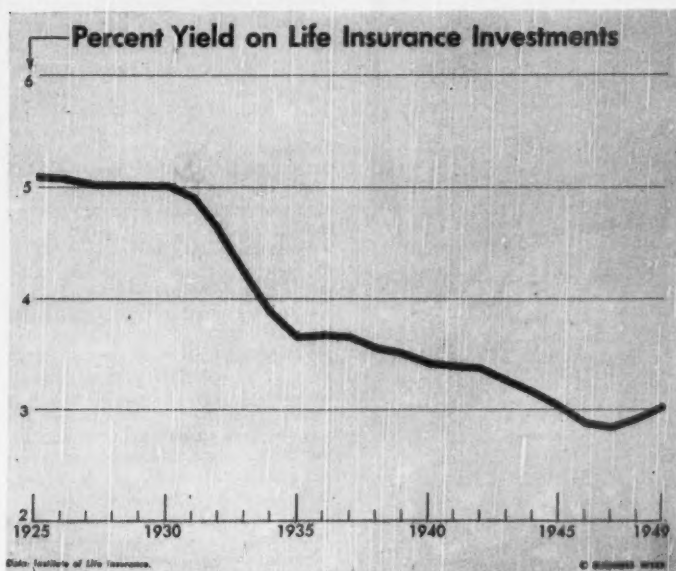
**Illustrated is the 1950 Westinghouse "Frost-Free" (trade mark) Model ADA-96 - 9.6 cu. ft. For Westinghouse, as for other manufacturers, Reynolds is an important supplier of aluminum—including finished components of cost-cutting dependability: Reynolds Industrial Parts.*

REYNOLDS METALS COMPANY
The Complete Aluminum Service
Richmond 19, Va. • Louisville 1, Ky.

Pig • ingot • sheet • cable • wire • rod • bar • extruded, roll formed, architectural and structural shapes • tubing • pipe • powders • pastes • foil packaging • chemical aluminas • building materials • industrial parts



FINANCE



SHRINKING YIELDS are putting pressure on companies to boost earnings. One way . . .

Let Them Buy Common Stocks

A bill to be introduced in the New York legislature next year would permit state life insurance companies to hold common stocks. But first there are a couple of problems to be solved.

One of the biggest questions facing the life insurance business may soon get an answer—in New York State at least.

The question: Should life insurance companies be allowed to invest part of their reserves in preferred and common stocks?

The answer: A bill, to be introduced in the state legislature at Albany next year, which would permit New York companies to hold stocks.

Even though the bill will cover only New York companies, it will be a big thing to the insurance business. New York companies hold around 40% of the total of \$60-billion of all life insurance assets.

• **Strong Backing**—All but one of the major companies in the state—Equitable Life—are backing the bill. And chances of passage look good. That's because the state legislature already took a somewhat similar step last spring when it permitted trustees of legal trust funds to invest 35% of their money in equity issues (BW—Apr. 1 '50, p. 82).

A special committee composed of top brass of five of the six biggest life in-

surance companies has been set up to work for passage of the proposal. Right now, the group is working out details of the measure in time for the legislature to act next year.

• **5% to Start**—No details of the bill have been released yet by the group, but one major part of the proposal is pretty certain: Life insurance companies will ask for permission to invest up to 5% of their assets—around \$1.2 billion—in equity issues, as a starter at least.

So far, the New York State Insurance Dept. hasn't taken a stand either for or against the measure. All the department has said is that it too has been considering the matter.

But insurance men figure they won't have any trouble with the department; they think it will go along with their proposal when the bill comes up.

• **Reasons**—There are two big reasons why life insurance companies would like to get some assets into stocks:

The low rate of return the industry has been receiving on its investments in recent years (chart). Last year, the average rate was 3.04%. Even though this is a slight increase over 1948's 2.96%



WATER COOLERS

make 'em love that job

Pep and zip with every sip



It's the heart that counts—G.E. sealed units warranted 5 yrs.—save money



G.E. makes sanitary china top

Runs all day on a few pennies



Water Coolers

PRESSURE AND BOTTLE TYPES

GENERAL ELECTRIC

free

Mail coupon with letterhead for free beverage thermometer. Check the temperature of your drinking water. General Electric Co., Sec. BW-5, Air Conditioning Dept., Bloomfield, N. J.

NAME _____
ADDRESS _____
CITY _____ STATE _____

"OUR GERLINGER EQUIPMENT

is responsible for
much of our steady
business growth"

**CROWN CITY
LUMBER & MILL CO.**
PASADENA, CALIF.

CASE HISTORY NO. 46
FROM OUR FILES

This 46-year-old firm is one of the leading California lumber and mill yards. All material transportation in Crown City's 5-acre plant is handled by 2 Gerlinger Straddle Carriers and a Gerlinger Lift Truck. The Carriers haul lumber from unloading shed, the Lift Truck stacks lumber and moulding materials, unloads and loads gondola cars and trucks. Mr. L. K. Leishman, president, says: "We feel that mechanizing our operations with Gerlinger equipment is one of the big reasons for our expanding business."



GERLINGER CARRIER CO.
DALLAS, OREGON

Retail lumber yards are discovering new profits through faster material handling with Gerlinger equipment. The complete Gerlinger line is described in our new catalogs. Send today for your free copy.

GERLINGER
CARRIER CO.

Advertisers drive sharp bargains outdoors



ECONOMY. When Amoco buys advertising they want something definite . . . the most impressions for the least dollars. And that's why Outdoor outsells . . . because it reaches more people,

more often, more economically! General Outdoor Advertising Co., 515 S. Loomis Street, Chicago 7, Illinois.

★ Covers 1400
leading cities
and towns



1925 Silver Anniversary Year 1950

and 1947's record low of 2.88%, life insurance companies still think it is uncomfortably low. And many insurance men figure that the only effective way to boost the rate is to allow life insurance companies to invest in securities with higher yields than the bonds on the present legal list. That means common stocks.

Growing criticism of the industry for attracting so much of the country's savings into ultra-safe investments. Many economists feel that this is starving the equity market, siphoning off funds that otherwise might have gone into venture capital.

• **No Pressure**—At the moment, the big life insurance companies are not under much pressure to find new investments. The current building boom means about \$2-billion worth of mortgages a year for them. And they figure that mortgage yields are good enough so that they don't have to look for any new places to put their money. Besides, the way the stock market has been fluctuating lately, they would just as soon stay out even if they could get in—as long as they can buy good mortgages.

But once the building boom comes to an end, it may be a different story. The number of mortgages will drop sharply, and then the stock market may start looking good to the life insurance companies. Some people in the business figure that current plans to get permission to buy stocks is strictly a safety measure against the time when the companies won't be able to find all the good mortgages they want.

• **Problems**—Life insurance companies must hurdle a few big obstacles before they go into the stock market:

(1) How will they carry common stock holdings on their books? It isn't likely that these companies will buy anything but blue chips. But even the top-grade stocks are subject to sharp price swings—witness the drops since the Korean incident began.

(2) How will these companies answer the charge that they control companies whose stocks they hold? Even now, when the only corporate securities that insurance companies hold are debt obligations, there are plenty of complaints that they control these companies. But if they are permitted to hold voting stocks, these complaints will undoubtedly be louder—and maybe even more valid.

The life insurance committee now working on the bill hasn't said what it plans to do about these problems. But others in the industry who have been trying to get permission to buy stocks claim that these problems are fairly simple to solve.

• **Solutions**—Life insurance companies could be required to set aside reserves from their dividend income to protect them against market depreciation on

stocks that they hold. These reserves would take care of the bookkeeping problem.

To answer the control problem, limits could be placed on the amount of an insurance company's holdings of any one company's stock—limits set low enough so that the life insurance company couldn't possibly exercise too much control.

• **Market Effects**—Opinion is divided on what could happen to stock prices if insurance companies were in the market in a big way. Some observers think their entrance into the market would tend to stabilize the market on the downside and still not push prices up to any great extent.

Others take a dimmer view. They think life insurance company buying would make the market for some issues even thinner than it is. That, they say, is because life insurance company purchases could tie up large blocks of already scarce issues. And, they claim, when the market is on the downside, a thin floating supply of an issue never guarantees better-than-average price stability.

Chances are that if life insurance companies were in the market now on a large scale, their rates of return would be higher. Top-grade common stocks are now yielding around 5% to 6%. So with even a small portion of their reserves in stocks, they would be making more than they are. The big problem, however, is: What happens during protracted periods of poor corporate earnings?

BANK LOANS ARE STILL EASY

The Federal Reserve Board's mildly anti-inflationary policy in the first half of 1950 scarcely made a ripple in the commercial loan market. That's the picture you get from a survey released last week by New York Federal Reserve Bank.

It's true that in mid-June the average interest rates charged by New York City banks on short-term loans were a little higher than they had been in March—2.34% vs. 2.28%. But they were approximately the same as they were in June, 1949.

On loans due more than a year hence, the picture shows even few traces of an anti-inflationary policy. The average rate did move up slightly in the second quarter, but mid-June, it was still only 2.48%, considerably less than the 2.77% of a year ago.

Long-term borrowers have been stepping up their operations lately. In the first half of June, dollar volume of such loans added up to \$110-million; in the first half of March, it was only \$45-million. The number of term loans that were placed by the banks also rose—from 150 to 215.

ALL ROPES look ALIKE...but...



Rope wire viewed under a microscope with 100 magnification and the correct McQuaid-Ehn grid superimposed and matched to the sample for classification.

THERE'S MORE THAN MEETS THE EYE...

Yes, all wire ropes *do* look alike...on the outside. But not when you go 100 times beyond the range of normal vision. That's where you find the big difference...because that's where the grain size of the steel shows up.

Steel used for Wickwire Rope is measured for proper grain size by the exacting McQuaid-Ehn test. Typical samples are carburized to 1750° F., cooled slowly, polished and etched; then examined under a high-powered microscope for the proper matching of a McQuaid-Ehn grid to the size of the crystals. Thus, we make sure that steel going into Wickwire Rope conforms to the definite grain size that will give longest, most satisfactory service.

Such quality control of basic prop-

erties is possible only with a company like Wickwire...where manufacture is integrated from molten metal to finished rope...where the know-how of 52 years experience goes into the making of every wire rope.

It explains, too, why Wickwire Rope always gives you uniform performance, enduring reliability and longer, more economical service on the job. For the *right* rope for your particular requirements, see your local Wickwire distributor. Wickwire Rope is available in all sizes and constructions, both regular lay and WISCOLAY Preformed. For your free copy of "Know Your Ropes" write to: Wire Rope Sales Office, Wickwire Spencer Steel Division of C.F. & L., Palmer, Mass.

WICKWIRE ROPE

A PRODUCT OF THE WICKWIRE SPENCER STEEL DIVISION OF THE COLORADO FUEL AND IRON CORPORATION

WIRE ROPE SALES OFFICE AND PLANT—Palmer, Mass. • EXECUTIVE OFFICE—500 Fifth Avenue, New York 18, N.Y.

SALES OFFICES—Abilene (Tex.) • Boston • Buffalo • Chattanooga • Chicago • Denver • Detroit • Elmhurst (Pa.) • Philadelphia • Tulsa • Fort Worth • Houston • New York

PACIFIC COAST SUBSIDIARY—The California Wire Cloth Corporation, Oakland 6, California



Name any classification in Thomas' Register—from Abaca to Zwiebach—and Fuller can name you the adhesives it's ready to supply to that industry. What are your needs?

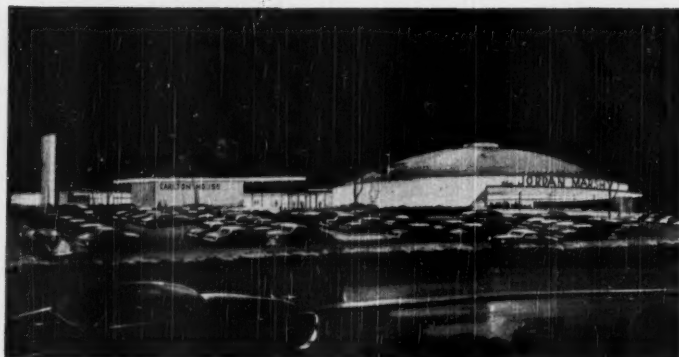


ON BUSCHMAN TROLLEY CONVEYORS

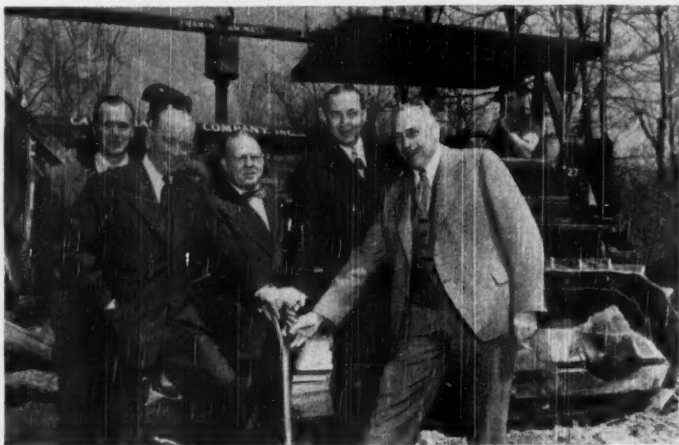
In this application the production parts are picked up automatically from sub-assembly by main roller conveyor. Automatic discharge, too—no hands.

In plants of every size, in every industry, handling costs can be cut way down. Users report savings up to 50%. Get the facts on this smooth-running, trouble-free conveyor for light and medium loads. Buschman Representatives in all principal cities. Write for Bulletin 41.

Buschman
Conveyors
THE E. W. BUSCHMAN CO., INC.
4477 Clifton Ave. Cincinnati 32, Ohio



SHINY, MODERN: Shopping center at Framingham, Mass., is one link in trust's chain.



DIGGING IN: (from left) Trust company's Joseph Lund and Huston Rawls help Jordan Marsh V.-P.'s James Fairclough, Cameron Thompson, and Newton Walzer start new branch.

Trust Rides Shopping Center Boom

Suburban Centers Trust, Boston, makes its living by setting up retail areas for suburbanites. Big chain now in the works.

The suburban shopper has been around for a long time. But it's only in the last decade or so that special shopping centers for him have found a footing in this country (BW—Nov. 11'39, p24).

Today, they're sprouting so fast that at least one concern is staking everything it has on them. Suburban Centers Trust, privately owned Boston organization, makes its entire living out of planning, financing, building, and operating shopping communities for the suburbanite.

• **Big Plans**—Unless Korea throws a wrench in the works, you're likely to hear more of the company. Over the next few years, it intends to set up a huge chain of \$5-million to \$7-million centers scattered throughout Massachu-

setts, New York, New Jersey, and Ohio.

Two of its projects are under way now in the Boston area: A \$7-million-plus center at Framingham (picture, above) is scheduled to be completed next June; another, a near-\$6-million project, should be finished sometime in the fall of 1951.

Several more are on the way. A 70-acre center at Paramus, N. J., on the edge of the New York metropolitan district, is almost ready to get started; so is one in the Cleveland area, to be built on the old 160-acre Severance Milliken estate. And a large White Plains (N. Y.) tract is under option for still another.

All of these will be something more than a neighborhood shopping area selling "convenience" goods. Each will

be a central retail district dominated by a large branch of one of the biggest department stores of the area. Most of the other tenants will be branches of local stores or brand-new shops, selling such staples as fashion apparel, home furnishings, and accessories.

The Framingham and North Beverly centers will pivot around branch stores of Boston's Jordan Marsh Co. Getting that tenant was quite a feather in Suburban Centers' cap. No one has ever been able to sell Jordan Marsh before on the value of suburban branches. Even now it's busy putting up a second section of a big Greater Jordan Center, deep in the heart of Boston.

• **Money-Makers, But—**A shopping center is no place to put your money if you don't know exactly what you are doing. It takes a big investment, and it is no more foolproof than the average business. Experts are willing to bet that many recent entrants into the field will run into trouble. Poorly chosen sites, or poor physical layout, or an indigestible mixture of tenants—any or all of these may keep you from ever seeing your money again. High building costs are another hitch.

• **Young—Suburban Centers Trust** is pretty sure that it knows what it is doing. A relatively new venture, it was born only four years ago as the Conant Real Estate Trust. Its founders were three New England capitalists with a good New England twang to their names—the late Lawrence Coolidge, Quincy Adams McKean, and James J. Minot—and a hard-headed, transplanted midwesterner, Huston Rawls.

• **Cautions—**The quartet took a good long look at the shopping-center picture before they got into it themselves. They saw the hazards. But they were betting on careful planning to see them through. To start the ball rolling, they ponied up between them an original capital of \$100,000.

Even after they had incorporated, they moved slowly. Rawls had a long-term background of experience as a financial, production, and merchandising executive and as a management consultant specializing in business properties. He became the chief of the new company. And he insisted on getting a firm foundation before he started really building.

That meant setting up a staff of expert planners, and looking over many properties. It meant consulting with outsiders—local bankers, businessmen, and insurance-company officials.

• **Fiscal Growth—**Obviously, \$100,000 wasn't going to carry the heavy program Rawls and his partners finally worked out. So other capitalists were invited in. Now, Suburban Centers reports, it has around \$1.5-million in capital. William A. Coolidge, Boston financier, has become the trust's chief



A GAYLORD Package Modernization Program Can Stimulate Sales and Increase Profits for You

Increased sales and profits should be the principal objectives in a package redesigning program. Gaylord, working toward this end through research and engineering and with the employment of Quanta Color designing—has been successful in accomplishing these objectives for many manufacturers. You can put Gaylord's experience and facilities to work for you, too. Just call the nearest sales office.



CORRUGATED AND SOLID
FIBRE BOXES

FOLDING CARTONS

KRAFT BAGS AND SACKS

KRAFT PAPER AND SPECIALTIES

GAYLORD CONTAINER CORPORATION, General Offices: ST. LOUIS

New York • Chicago • San Francisco • Atlanta • New Orleans • Jersey City • Seattle • Indianapolis
Houston • Los Angeles • Oakland • Minneapolis • Detroit • Jacksonville • Columbus • Fort Worth
Tampa • Cincinnati • Dallas • Des Moines • Oklahoma City • Greenville • St. Louis • San Antonio
Memphis • Kansas City • Bogalusa • Milwaukee • Chattanooga • Weslaco • New Haven • Appleton • Hickory
Greensboro • Sumter • Jackson • Miami • Omaha • Mobile • Philadelphia • Little Rock • Charlotte • Portland

EVERY BUSINESS MAN SHOULD

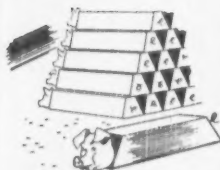
KNOW ABOUT

Chemicals FROM

TENNESSEE



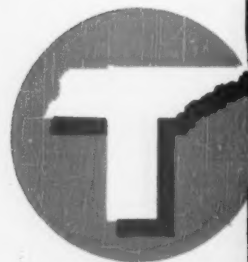
BOWLING OVER THE WEEVIL. Cotton growers' Number 1 Enemy is the boll weevil. Boll Weevils' Number 1 Enemy is Benzene Hexachloride—which puts them out of business. Here at Tennessee we make the valuable chemical, high in active ingredients easily processed. Manufactured in the heart of the South under strict quality control.



PIGS IS PIGS—but not all pig iron is of the same character. Tennessee's has an advantage. We "breed" our pig iron by rigid quality control of the basic ingredients. Many factors are involved in producing pig iron for special needs. Phosphorous, sulfur, carbon and silicon all must be controlled—but wait—let Tennessee show you how to improve your products by using our pig iron.



A BIG BACK YARD. We're lucky here at Tennessee. Ours is a big back yard with acres of the fine, hardwood timber necessary to produce charcoal. Just as charcoal broils fine steaks it also is the daddy of a host of basic chemicals used in such industries as textile, paint, mining, metallurgical and tobacco. Tennessee is a reliable, resourceful, practical source for many basic and fine chemicals. Find out more about us—how we can serve you. Write to . . .



TENNESSEE PRODUCTS & CHEMICAL

Corporation

NASHVILLE TENNESSEE

stockholder and chairman of its advisory board.

The corporate setup has changed in other ways. The operation has become a three-layer affair, with subsidiaries handling various phases.

• **Jobs Parceled Out**—Suburban Centers Trust won't own any of the centers it builds. They'll be owned by subsidiaries organized for just that job. There are four of these already: Middlesex Center, Inc., which owns the Framingham project; North Shore Center, Inc., owner of the North Beverly center; New York Suburban Centers, Inc., which will cover operations in that state; and New Jersey Suburban Centers, Inc., set up to handle the Paramus project.

Neither will the trust do any of the research that precedes the building of a shopping center. Another subsidiary, the recently organized Market Research Corp., will handle that job. And a separate company, National Suburban Centers, Inc., is another of the trust's babies; it will handle the planning and management ends of Suburban Centers' operations.

The end result of all this layering is that Suburban Centers Trust is now primarily a holding company. It directly controls—through ownership of all outstanding stock—only National Suburban Centers. All the rest of its companies are, in turn, wholly owned subsidiaries of National Suburban Centers.

• **Financing**—The company doesn't expect to have too much trouble financing its shopping string. It expects to furnish equity capital only; the bulk of building costs will come out of temporary building loans, which will later be funded by long-term bond issues sold privately to insurance companies.

The trust won't issue these bonds or endorse them. In each case, the issuer will be the subsidiary that owns the center, and each issue will be secured solely by a first mortgage on the property.

The trust figures that all the projects now on its slate will require the sale of some \$24-million to \$25-million of bond issues to insurance companies. It has already taken care of the costs of its Framingham and North Beverly projects—thanks to a building loan from Boston's First National Bank; this loan will be paid off with the proceeds of 22-year mortgage bonds sold to New York's Equitable Life.

That financing deal wasn't hard to put over, says Rawls, for a very good reason. The trust got 20-year leases from "sound" tenants for around 80% of the space before any ground was broken.

Whether future deals will come that easy remains to be seen. Rawls isn't worrying. He thinks he can sell the

MICRO SWITCH ENGINEERING

is geared to "tough application" problems!



Development of jet propelled aircraft has created new problems and placed new demands on materials and component parts.

Engineers of McDonnell Aircraft, St. Louis, called on MICRO SWITCH ENGINEERING, long experienced in solving aircraft switch problems, to help them meet the stringent switch requirements for the Banshee jet-propelled Navy fighter.

MICRO SWITCH designed new dependable precision switches for control of the wing-lock mechanism as well as switches to meet other exacting requirements. The long-continued efficient operation of these MICRO products is a matter of record.

You probably don't build jet planes, but, if the product you *do* make requires precision snap-action switches, you and your design engineers should know about MICRO SWITCH ENGINEERING—the service responsible for creating more than 4600 different switches for almost countless industrial applications. For details, call or write MICRO SWITCH, Freeport, Illinois, or any of the branch offices listed.



BRANCH OFFICES:

Chicago • New York • Boston • Cleveland
Los Angeles • Chattanooga

SALES REPRESENTATIVES:

Portland • St. Louis • Dallas • Toronto

MICRO... *first name in precision switches*

Behind the Scenes With YOUR INSURANCE COMPANY

In every insurance company there is a vital activity called Claim Service. When accidents happen, it is Claim Service that takes over for the insureds and protects their interests.

Beyond the demand of service...

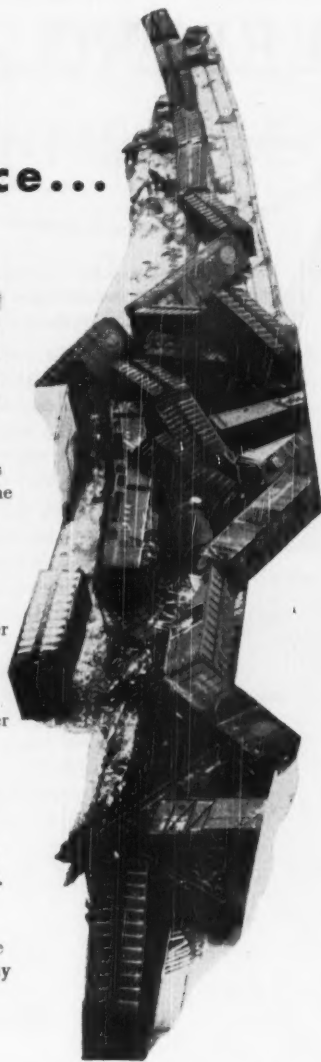


It was five below . . . the road was icy . . . the truck couldn't pull the trailer off the railroad tracks. Until the last second the driver fought desperately for traction under his spinning wheels as a heavy freight bore down!

The crash demolished the trailer . . . derailed the Diesel locomotive and thirty freight cars. . .

Within an hour our claim representative with a photographer was at the scene. He spent the next five days interviewing witnesses, getting statements and checking details. *All this was primarily in the interest of the trucker—the total damage he had caused far exceeded his insurance.*

This case is typical of our specialized services that go far beyond the usual conception of the activities of an insurance company—services that are offered you through our agents and insurance brokers.



AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY

100 Broadway, New York 5, N. Y.

"DEPENDABLE AS AMERICA"



projects solely on their own merits.

• **Men in Charge**—Some of his confidence has its roots in the men he employs. At the head of its site-planning group is Frederick J. Adams, professor of city planning at Massachusetts Institute of Technology. For its economic and merchandising surveys, it employs Kenneth C. Welch, market analyst with a nationwide reputation in the shopping-center field. Supervising architects are Ketchum, Gina & Sharp, who won the first award for department-store design at the last annual meeting of the American Institute of Architects. Landscape architects are A. A. and S. N. Shureliff, who landscaped the Williamsburg restoration.

• **Problems**—There'll be some troubles, of course. Rezoning is one of the big headaches; that's an obstacle right now in the White Plains area.

The firm is beginning to hear a mutter about "absentee landlords" on its out-of-Boston jobs. To remedy that, it's considering the advisability of sharing its equity interest in these projects with local financial interests. There's a chance, too, Rawl admits, that as the trust's operations get heavier, it may have to consider selling some new stock to the general public.

FINANCE BRIEFS

Cash dividends paid out by reporting corporations totaled \$210.6-million in May, says the Dept. of Commerce. That's 12% higher than the total paid in May, 1949.

The new-issues market in Wall Street has almost stopped dead as a result of the Korean crisis. Several proposed stock offerings have been postponed indefinitely. About the only big debt offering still set to go: Columbia Gas System's \$90-million bond issue on Aug. 1.

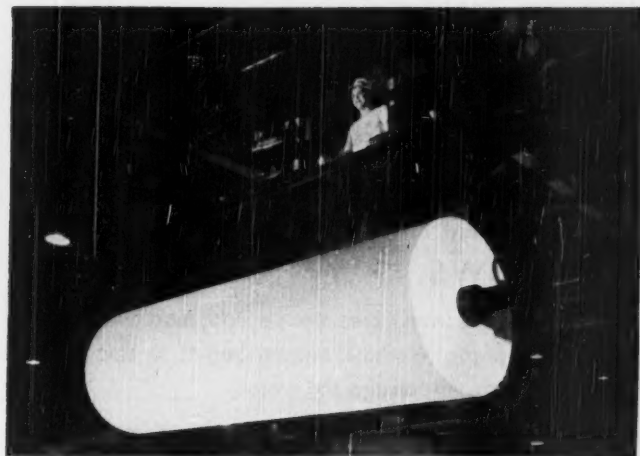
Howard Hughes has boosted his TWA holdings to 73% of outstanding stock by converting his \$10-million loan to the airline into \$10-a-share common stock. Shares are held in the name of his Hughes Tool Co.

A two-for-one split of common stock of Smith, Kline, & French Laboratories will soon be submitted to stockholders for approval.

No soap: The New York, New Haven & Hartford R.R. turned down the top bid—99.44% of par—on its offer of \$3-million worth of 2½% equipment trust certificates. Street talk says the New Haven thinks it can get the money cheaper by negotiating conditional sales contracts with banks.

Now—Kimberly-Clark brings you

Premium Papers at “Economy” Prices!



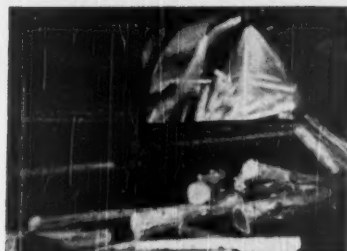
EASY DOES IT! THAT'S 3 TONS OF NEW LEVELCOAT READY FOR SUPERCALENDERING!

Now you can make every impression a far better impression—without an increase in printing cost! For Kimberly-Clark's four new fully-coated Levelcoat* papers with new fiber, new formula, give you premium quality press performance and reproduction—at the cost of ordinary paper!

You'll see new whiteness and brightness, feel new smoothness, in all four Levelcoat papers. In make-ready, on large or small presses,

you'll discover new economy and dependability. Finally, in comparing reproduction with that of any other paper, at any price, you'll agree there's a striking new difference in the quality of printing achieved—with less waste—on new Levelcoat.

So regardless of your paper requirements—for long runs or short runs, for advertising pieces, magazines or house organs—look to Levelcoat for printability at its best.

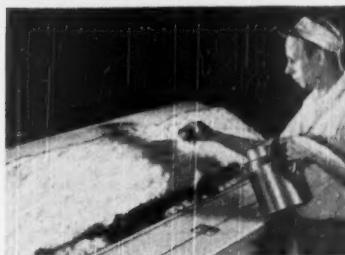


Quick death for bark! In huge rotating steel drums, logs are stripped of bark as they pound and rub together. Removal of all such undesirable elements helps make new Levelcoat whiter, cleaner, smoother. And for greater strength, exclusive new LongLac fibers are now included in all four Levelcoat papers.



“Face powder” for Levelcoat’s “complexion.”

As an aid in imparting the proper surface to all Levelcoat papers, only soft, white clay of face powder texture is used in the coating formulation. And now, a finer balance of all coating ingredients gives new Levelcoat the smoothest, whitest printing surface in Kimberly-Clark history.



How bright is bright? At Kimberly-Clark the brightness test tells—and as groundwood stock is dewatered, each sample taken must pass this test. It's just one of 79 checks on paper quality made from tree to press—79 reasons why Levelcoat gives you the press performance and reproduction of higher-priced paper.

Before choosing any printing paper — Look at Levelcoat

New HIFECT*—with sulphate-cooked fibers added, permanence, foldability, dimensional stability make Hifect ideal for covers or any fine letterpress printing.

New LITHOFACT*—for offset printing, Lithofect provides a moisture-and-pick-resistant coating. Offers outstanding foldability. Renders colors without loss of density.

New TRUFECT*—whiter, smoother, folds even better than before. Trufect, for letterpress, offers faster ink setting time, greater press dependability, finer reproduction.

New MULTIFECT*—an economy sheet for volume printing. Now Multifect has added strength, better foldability, greater uniformity ream-on-ream than ever before.

KIMBERLY-CLARK

CORPORATION
NEENAH, WISCONSIN

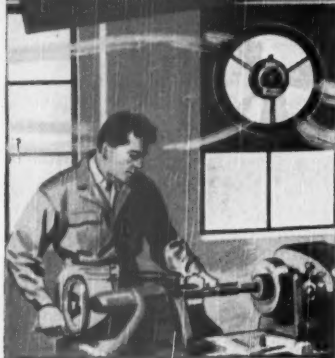


*TRADEMARK

it pays to *

Fan-Plan

with EMERSON-ELECTRIC Exhaust Fans



*Fan-planning means the selection and placement of fans to ventilate your buildings most effectively and economically. Costs of Emerson-Electric long-life equipment are quickly written off in terms of improved worker efficiency and customer relations. Emerson-Electric's free fan-planning service brings 60 years of unmatched fan experience to your individual problems. See your electrical contractor, or write for Bulletin No. 906.

BELT-DRIVE EXHAUST FANS



Long-life, heavy-duty types. Quiet, low speed in blade sizes 24, 30, 36, 42 and 48 inches, capable of exhausting up to 19,350 cubic feet of air per minute.

DIRECT-DRIVE EXHAUST FANS

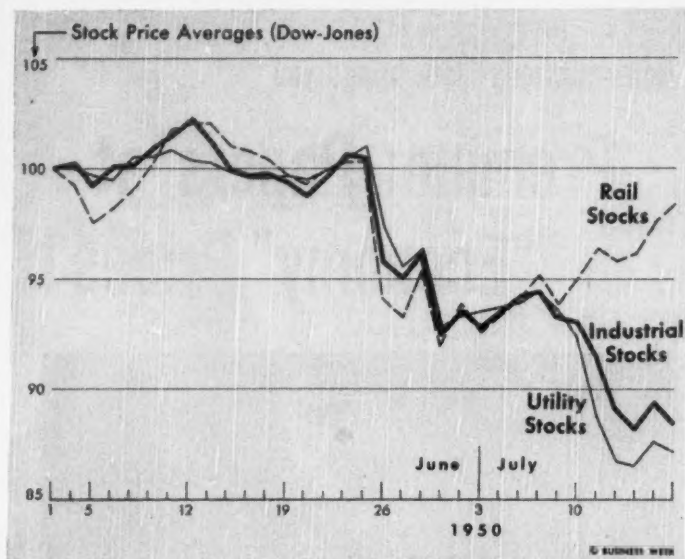
Quiet running, efficient, trouble-free fans of this type are available in five blade sizes, ranging from 12 to 30 inches. Equipped with overlapping blade assemblies, fully-enclosed ball-bearing or sleeve-bearing motors.



The Emerson Electric Mfg. Co.
St. Louis 21, Mo.

EMERSON ELECTRIC
MOTORS - FANS APPLIANCES

THE MARKETS



War News Is What Counts

Hopeful news from Korea starts a stock market rally in spite of mobilization plans. Wartime pattern begins to emerge: Rails make the best showing; utilities the worst.

Wall Street was watching Korea rather than Washington this week. President Truman's decision to put the country on a limited war footing (page 19) should have scared the pants off the market. But traders listened to the encouraging news from the fighting front instead. On Tuesday and Wednesday, the market managed its best rally since the Korean crisis broke.

• **Korean Key**—In other words, the market figures that what happens from here on will depend on military developments. If the fighting goes against us, we'll get sterner controls and more restrictions on the domestic economy. If the tide turns in Korea, then the squeeze on U.S. business will be less painful.

On second thought, Wall Street may modify these conclusions somewhat. It's obvious now that we are going to stay on at least a partial mobilization basis regardless of what happens in Korea. And that means business will inevitably feel the pinch of government controls. No amount of good news from the front is going to alter that prospect.

But war psychology has such a firm grip on traders that battlefield news is

likely to be the biggest factor in the market for a while.

• **Wartime Pattern**—If you look at the way the three main stock groups behaved in the liquidation of the past month (chart), you already see a wartime pattern emerging. In a lot of respects, it's the same picture that you saw in the early stages of World War II. Throughout the decline, the rails have been the best performers. They registered the smallest losses in the drops, the best bounce in the rallies. For the past two weeks, they actually have been gaining ground. The industrials have been a poor second best. And the utilities have done worst of all.

Traders remember that in World War II, rails suffered less than almost any other industry from the excess-profits tax. Their big invested capital base held an umbrella over profits. And the rising tide of traffic gave them a chance to use their plant to capacity.

• **Rough**—Industrials are in exactly the opposite position—and a thoroughly uncomfortable position it is. Take a look, for instance, at how their profits compare with wartime experience:

General Motors showed per-share earnings of only \$3.68 in 1944 and

\$4.07 in 1945; but in 1948, GM made \$9.72 and in 1949, \$14.65. Du Pont made \$1.57 and \$1.65 a share in the war years; last year, it cleared \$4.52. Radio Corp. showed 51¢ a share in 1944, \$1.58 last year.

Utilities don't have to worry as much

about taxes as manufacturers. But they do face a squeeze on profits. During inflation, public service commissions never let rates go up as fast as costs. As a result, utilities in wartime would be behind the game almost from the beginning.

The Bull Market After One Month of Korea

Stock Group	Standard & Poor's Weekly Stock Indexes (1935-39 = 100)				
	1949 Low	1950 High	Jul. 12 1950	1949-50 Bull Market Gains Maximum	Now
Leather.....	58.9	156.6	155.3	165.9%	163.7%
Paper.....	218.5	416.4	366.3	90.6	67.6
Steel.....	104.6	173.0	159.9	65.4	52.9
Soap.....	118.1	200.7	179.9	69.9	52.3
Aircraft manufacturing.....	96.3	147.1	142.2	52.8	47.7
Television, electronics.....	115.0	254.8	167.4	121.6	45.6
Automobiles.....	106.3	187.4	154.4	76.3	45.2
"War" stocks.....	90.5	137.9	130.2	52.4	43.9
Low-priced commons.....	102.4	165.9	144.6	62.0	41.2
Rayon.....	253.3	406.7	356.5	60.6	40.7
Ethical drug.....	113.9	194.6	*159.3	70.7	39.9
Meat packing.....	105.7	151.2	143.9	43.0	36.1
Tires, rubber goods.....	157.0	238.8	213.4	52.1	35.9
Chemicals.....	121.9	196.8	165.2	61.4	35.5
Distillers.....	294.4	362.8	336.8	45.5	35.0
Dairy products.....	160.7	240.1	*215.6	49.4	34.2
Sugar.....	79.7	106.8	106.8	34.0	34.0
Woolen goods.....	91.8	120.8	120.8	31.6	31.6
Copper.....	96.2	129.8	124.8	34.9	29.7
Capital goods stocks.....	103.4	152.2	133.9	47.2	29.5
Electrical equipment.....	86.0	129.0	111.0	50.0	29.1
Metal fabricating.....	90.3	122.1	115.7	35.2	28.1
Fertilizer.....	188.3	260.9	238.7	38.6	26.8
Office, business equipment.....	140.2	214.6	*176.8	53.1	26.1
Cotton goods.....	199.5	250.0	250.0	25.3	25.3
Auto parts.....	96.5	140.2	120.4	45.3	24.8
Department stores.....	173.8	228.4	215.5	31.4	24.0
All industrial stocks.....	115.6	159.5	142.9	38.0	23.6
Food chains.....	169.2	246.8	*206.7	45.9	22.2
Shipbuilding.....	157.2	193.1	191.1	22.8	21.6
Oil.....	148.4	193.7	180.3	30.5	21.5
Composite Index.....	110.7	149.4	134.3	35.0	21.3
Air transport.....	193.2	272.3	232.8	40.9	20.4
Railroads.....	87.0	111.4	104.7	28.0	20.3
Consumer goods stocks.....	115.3	156.5	*138.4	35.7	20.0
Machinery.....	97.3	125.8	*114.7	29.3	17.9
Building materials.....	100.0	143.3	*115.2	43.3	15.2
Shipping.....	334.2	417.2	385.1	24.8	15.2
Mail order, general chains.....	162.1	212.2	*186.6	30.9	15.1
Mining, smelting.....	70.3	83.8	80.5	19.2	14.5
High-grade commons.....	108.7	139.5	*124.5	28.3	14.5
Glass containers.....	86.9	119.0	*98.8	36.9	13.7
Agricultural machinery.....	106.0	139.5	*120.3	31.6	13.5
"Peace" stocks.....	131.8	166.9	*147.8	26.6	12.1
Confectionery.....	109.3	140.3	*122.4	28.4	12.0
Baking, milling.....	148.1	190.5	*163.7	28.6	10.5
Utilities.....	92.3	113.7	*101.2	23.2	9.6
Finance companies.....	90.7	133.1	*99.1	46.7	9.3
Natural gas.....	166.2	205.3	*178.1	23.5	7.2
Railroad equipment.....	74.8	86.6	79.2	15.8	5.9
Lead, zinc.....	85.1	95.7	89.7	12.5	5.4
Metal containers.....	68.3	90.6	*71.9	32.7	5.3
Household supplies.....	89.2	110.4	*93.5	23.8	4.8
Coal.....	190.9	220.9	199.9	15.7	4.7
5¢, 10¢, \$1 chains.....	118.3	137.8	*123.8	16.5	4.6
Shoes.....	106.9	125.5	111.8	17.4	4.6
Tobacco products.....	77.8	92.1	*81.1	18.4	4.2
Proprietary drugs, cosmetics.....	123.5	144.6	*125.2	17.1	1.4
Printing, publishing.....	96.8	125.5	*96.8	29.6	0
Gold mining (U. S.).....	59.1	77.5	55.1	31.1	16.8
Motion pictures.....	142.7	170.0	*130.5	19.1	18.5

* New 1950 low. † Losses since 1949 low was registered.

there's NO
"Vinsol" in
an Oriental
Rug*...



* We assume

but versatile Vinsol®

is used to cut costs without cutting quality for dozens of products in popular demand. It can save materials costs for dozens more. Yours, perhaps?

at three to 3½¢ per lb. currently, Hercules "Vinsol" is an unusually low-cost resin. Thermoplastic, dark-colored, high-melting, it saves manufacturers money in producing adhesives, emulsions, plastics, protective coatings, and shellac compounds.

you can find a profitable place for "Vinsol" in your formulas. We want to help if you'll tell us what you have in mind.

send for sample and technical data.

HERCULES POWDER COMPANY
968 Market Street, Wilmington 99, Del.

NV50.3



LABOR

How to Keep Communists Off the Payroll

- You can refuse to hire a Communist.
- You can fire a Communist—if your union contract includes communism as grounds for discharge.
- You can require your employees to sign a non-Communist affidavit—if your union agrees to it.
- If you have a classified government contract, the government will screen your employees for you.

What can a company do to get rid of subversives and to keep them off its payroll in the first place?

Korea gives that question a new and greater urgency. Beyond its obvious importance to the defense effort, some employers are just now realizing that Communists on the payroll can keep a company from getting classified government contracts.

To round up the "do's" and "don'ts" of current federal policy, BUSINESS WEEK had its Washington Bureau query the Dept. of Justice, Dept. of Defense, Civil Service Commission, and Office of the General Counsel of the National Labor Relations Board—all of which contribute something to government policy on Communists.

Here are their answers:

Q. Can I refuse to hire a Communist or one suspected of Communist leanings?

A. Yes, definitely. Under federal laws, the only hiring restriction is that you cannot discriminate because of union activity or membership.

Q. What about state fair-employment-practice (FEPC) laws?

A. They protect workers against discrimination involving race, creed, color, and national origin only. They say nothing about political belief.

Q. Can I fire a worker because of communism?

A. Legally, yes. If you have a union contract, it may depend on what the contract says as to grounds for discharge.

Q. Suppose the worker claims I fired him because he is active in the union and files an unfair-labor-practice charge with NLRB?

A. Then it becomes a matter of proof as to the reason you fired him.

Q. How will NLRB handle the case?

A. General Counsel Robert N. Denham's office will investigate the worker's claim. If no basis for the charge is found, Denham will not issue a complaint and the worker has no appeal.

Q. But if he does issue a complaint?

A. You still get a chance to prove your case before a trial examiner and, if necessary, appeal to the board itself.

Q. Like most labor contracts, mine says I can fire a worker for "cause." What then?

A. If your contract doesn't elaborate on what acts shall constitute "cause," then the justification for your action may have to be decided under the grievance machinery of your contract.

Q. Will the type of production I'm in make a difference?

A. It might. An arbitrator may rule you were justified in firing a suspected Communist in a war plant, but not in a business wholly unrelated to war.

Q. Can I make communism a basis for discharge in the union contract?

A. Yes, if the union is willing. Here is a clause from one contract filed with the Bureau of Labor Statistics: "The company shall be permitted to discharge any employee who, regardless of union affiliations, is proved to be affiliated or sympathetic with any Nazi, Fascist, or Communist organization."

Q. Can I require my employees to sign a non-Communist affidavit or lose their jobs?

A. Perhaps you can, if you stick close to what the Taft-Hartley law requires of union officials. NLRB may decide this question in the case involving Stewart-Warner Corp. (BW-Jan. 21 '50, p104). Again, what your contract says on discharges will be important.

Q. Could I insist, also, that union officials pledge not to advocate socialism and put up a performance bond?

A. No. NLRB has just decided against Standard Generator Service Co. that that amounts to refusal to "bargain in good faith" and is going too far.

Q. Have any unions agreed to non-Communist affidavits?

A. Yes, the CIO Utility Workers Union and a few others.

Q. What's an example of such a contract provision?

A. At Consolidated Edison in New York, the union agreed that the company could refuse to employ any person who did not sign an affidavit stating he or she was not a member of a Communist or other subversive group.

Q. What happened at Bell Aircraft Corp. where the charge of communism was raised?

A. The CIO United Auto Workers agreed that it would not challenge any "reasonable" action taken by the company to comply with its security obligations to the government.

Q. Suppose I have a government defense contract. What am I in for?

A. If the work is classified—meaning "secret" or "top secret"—the department awarding the contract will screen your employees before permitting them to work on it.

Q. And if it is not classified?

A. You are on your own.

Q. Will the FBI check on suspected workers?

A. Not unless classified work is involved. In that case, the check is made without asking.

Q. Will the FBI at least tell me if a worker has a criminal record?

A. No. If you knew where a person lived, you could find out from the courts there.

Q. How can I find out if a worker is a Communist?

A. That's very difficult unless he has openly admitted it. However, many persons have been named as Communists before congressional committees. While not always reliable, that could be a starting point for your investigation.

Q. What about those who support communism? Without, perhaps, being party members, how do you identify them?

A. A good way is by the organizations they join. In connection with the federal government's loyalty program, the Attorney General has put out several lists of about 100 organizations considered to be Communist or Communist-inspired. They are available from the Information Division, Civil Service Commission, Washington 25, D. C.

Q. Can I find out if a worker was fired from a federal civil-service job for security reasons?

A. Yes. If you know in what agency he worked, write to the agency's personnel division. If not, write to the Service Record Division, Civil Service Commission, Washington 25, D. C. They will tell you whether a person



"HOLD ME TIGHT, DADDY!"

YOU'RE safe, Betty . . . Daddy's strong arms would never let you tumble!

Protection against loss due to accidents in *business* calls for the services of a strong, progressive insurance organization. Find out about Hardware Mutuals workmen's compensation insurance—and, incidentally, compare the *low net cost* with what you're paying now!

Well known is Hardware Mutuals reputation for working sympathetically with injured employees to help them get well. They appreciate our prompt claims payments. In addition, our Loss Prevention Department is doing a consistent job

of helping policyholders eliminate the *causes* of accidents. And consider this, too. Hardware Mutuals *policy back of the policy* represents many other clear-cut benefits—such as carefully trained representatives, and fast, friendly, nationwide, day-and-night service. Dividends returned to policyholders now total more than \$88,500,000!

It's easy to find out *more* about Hardware Mutuals workmen's compensation insurance . . . without obligation! Phone *Western Union's Operator 25* for the name and address of your Hardware Mutuals representative. You'll find him friendly and anxious to *help* you. Get in touch with him today!

Insurance for your AUTOMOBILE...HOME...BUSINESS

Hardware Mutuals

REG. U. S. PAT. OFF.

Stevens Point, Wisconsin · Offices Coast to Coast

HARDWARE MUTUAL CASUALTY COMPANY · HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY

*"I tricked my boss—
and he loved it!"*



Steel Age

Everyone was ashamed of the boss's desk but the boss! I guess he was too busy raising ulcers to really care—until the day I tried psychology on him. I told him there were two sides to every desk, and that the recessed knee space at the back of a new STEEL AGE Executive Desk would make dictation a lot easier for me. Being a considerate boss, he asked the P.A. to get him one.

Now, of course, he can't stop doting over his Executive and the way it streamlines his work with its wonderful adjustable-height comfort and fingertip conveniences.

(P.S.—I got a raise, the boss has stopped raising ulcers and the whole office now has STEEL AGE Desks!)

At Leading Office Furniture Dealers from Coast to Coast

CORRY-JAMESTOWN MANUFACTURING CORP.

Corry, Pennsylvania

Master Craftsmen of Steel Office Furniture

CLARAGE

Headquarters

**FOR AIR HANDLING AND
CONDITIONING EQUIPMENT**

Meet our
Application Experts in

Illinois, Indiana, and
Missouri

CHICAGO — Clarage Fan Co.,
333 N. Michigan Ave.; T. Cronage,
J. W. Muesig

SOUTH BEND — The McCaffery Co., 216 E. Wayne St.; J. J. McCaffery, R. W. Fleming

INDIANAPOLIS — Clarage Fan Co., 1746 N. Tacoma Ave.; V. C. Snowberger

ST. LOUIS — Rhodes Equipment Co., 4485 Olive St.; M. C. Rhodes, A. J. Leussler

KANSAS CITY — Heaven Engineering Co., 1525 Wyandotte; L. P. Heaven

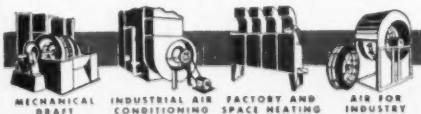
... Also Application Engineering Offices in All Other Principal American Cities



**A Capable
Nation-Wide Service**

Take any type of air handling or conditioning requirement, and it makes SENSE to call in the nearest Clarage Application Engineer. This man KNOWS his business — can give you expert assistance. And back of his recommendations are engineering resources and manufacturing skills unsurpassed in the fan industry. Try Clarage for satisfactory results invariably accomplished MORE economically.

CLARAGE FAN COMPANY, Kalamazoo, Michigan



MECHANICAL DRAFT

INDUSTRIAL AIR FACTORY AND CONDITIONING SPACE HEATING

AIR FOR INDUSTRY

worked for the government and in what agency. Then you must write that agency for further information.

Q. How many federal employees have been fired for security purposes?

A. Few have been actually dismissed — 225 since the loyalty program began in November, 1947. But many have quit while under investigation. You can find out if an employee quit by writing to the agency for which he worked.

Q. Suppose I have a classified contract with the Army and Navy as well as the Air Force. Will all three departments check my employees?

A. No. Under a new regulation now coming out, the check will be made by only one department, usually the one with the contract involving the most workers.

Q. Will an employee's loyalty have to be checked again if, for instance, he gets a job with another company?

A. No. His record will go into a central security index file maintained in Washington.

Q. What else will be in the new regulations covering industrial security?

A. Fewer workers will have to be investigated; the government in many cases will classify only part of a contract, instead of all of it. Then only workers in the classified part will have to be cleared for loyalty.

Q. If the government finds that a worker is a security risk, must I discharge him?

A. No. Defense Dept. security regulations consider that you fulfill your obligation if you keep him away from classified work.

Q. Does a worker so identified by the government have a right of appeal?

A. Yes, to the Industrial Employment Review Board in Washington.

Q. Can I refuse to bargain with a union whose officers have not signed Taft-Hartley non-Communist affidavits?

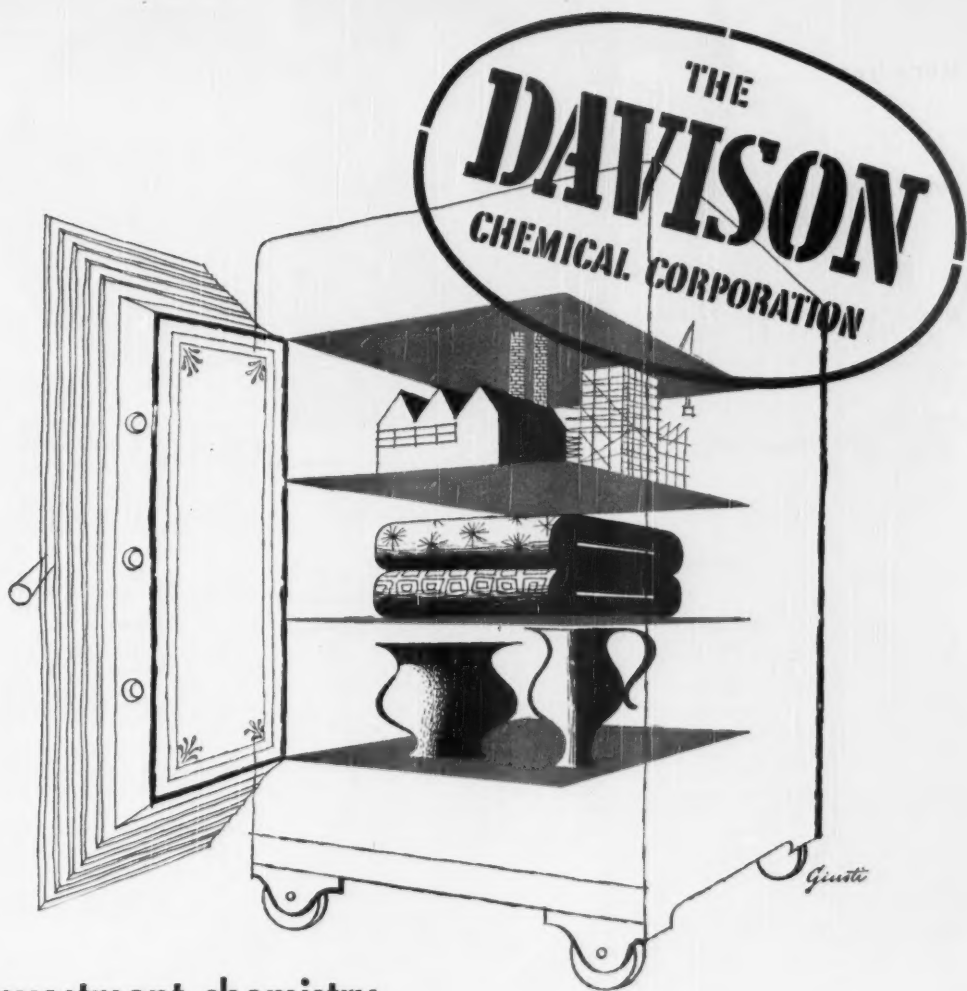
A. No. The U.S. Court of Appeals in Washington, D.C., recently said in the West Texas Utilities case that you can't. This reversed the policy of NLRB that you didn't have to bargain with a noncomplying union.

Q. Besides a possible unfair-labor-practice charge, what risk do I incur by firing a suspected Communist?

A. If you have a labor agreement, you might be sued for breach of contract—assuming the discharge violated its provisions. Or, if an unfair-labor-practice charge is upheld, you might have to take the worker back and reimburse him for wages lost.

Q. What else?

A. If you publicly call a worker a Communist, you might be sued for slander. Be sure before you make such a charge. Some courts have held that calling a person a Communist, when he isn't, is libelous.



investment chemistry

The truest meaning of investing is:—to convert into wealth. A perfect example is Davison's development of silicofluorides. Producers of superphosphates had treated as waste the gases resulting from their manufacturing processes. But Davison, by constant research has developed methods of making from them products for such diversified industries as building, textiles or ceramics. This, in turn, enabled us to direct our research, manufacturing, and merchandising in still newer directions for the benefit of American business. This process, "Investment Chemistry," turns into reality the promise of our slogan, "Progress through Chemistry."

D
"Progress through Chemistry"

THE DAVISON CHEMICAL CORPORATION
Baltimore 3, Maryland

More beer.....



More bulbs.....



More bricks.....



VIA
Rapistan

Whatever you make... whatever you process... you'll handle more goods, in less time, on production-boosting, cost-cutting, Rapistan Material Flow equipment.

Among people who know handling equipment, Rapistan ranks first. The reason? *Supreme dependability.* Rapistan conveyors are designed to give trouble-free service long after most others have been replaced. Whether you need a single conveyor, or a complete "flow" system—for product movement through processing, packaging, storage and distribution—buy Rapistan. It's profitable.

SEND FOR YOUR COPY of "Rapistan Material Flow at Work." See how carloading was cut from 80 to 8 man hours; a processor saved \$200 weekly; production speeded up 75%; and how Rapistan can work for you!

The RAPIDS-STANDARD COMPANY, Inc.
174 Rapistan Bldg., Grand Rapids, Michigan



Representatives in Principal Cities

Rapistan
MATERIAL FLOW EQUIPMENT



CONVEYORS: POWER OF GRAVITY
PORTABLE AND STATIONARY
CASTERS • HAND AND PLATFORM TRUCKS



Robert L. Clark, NSRB's manpower director

Labor Wants In

Union leaders ask for voice in NSRB. They want to help make controls that war will impose on labor.

As mobilization plans jell, labor leaders know the government is going to be telling them what to do. And they want to be in on any decisions when they are made.

• **Equal Footing**—Union leaders have made this clear: They want to be on equal footing with industry and government officials in the "policy, planning, and operational divisions" of the agencies that will run the war program. And that means the National Security Resources Board. So the unions are pressing hard to get a voice in NSRB.

AFL and CIO claim they have experts on many of the very same subjects NSRB has been studying. But, they say, they haven't been consulted and don't know what NSRB is planning.

• **Meeting**—So this week, a nine-man committee representing the AFL, CIO, United Mine Workers, International Assn. of Machinists, and Railroad Brotherhoods met with NSRB chairman W. Stuart Symington. Their purpose: to learn more about NSRB's setup so they can suggest how labor will fit into it.

• **Manpower Controls**—Union leaders want a voice in all phases of war planning. Their chief concern is manpower controls. They want to be able to tell members whether the government will tell them where to work, determine wages, keep them from striking.

Right now, the key man on manpower controls is Robert L. Clark,

director of the manpower office of NSRB. Clark has spent most of his time in government employment-service activities, served on WMC during the last war. He has no labor background. That's the rub with labor leaders. They asked Symington to put a labor man in as NSRB's vice-chairman—over Clark. But Symington turned them down.

Instead, he agreed to name a union man to head an NSRB section on labor affairs. The joint union committee agreed to submit three names—from which Symington will choose one. The labor section will be separate from Clark's manpower office.

• **Plans in the Works**—Clark has a staff of six already at work on the various aspects of manpower:

Fred A. Kraft, former industrial relations director of Midvale Co. and American Viscose, is figuring out how labor disputes should be settled.

Aldo L. Raffa is working on labor utilization and training.

Samuel E. Hill, formerly with the AFL, WPB, and WMC, is working on the economic aspects of manpower controls.

Emmett H. Welch, W. J. Schuck, and David E. Christian make up the rest of Clark's staff.

Though NSRB's plans haven't jelled yet, it is thinking along the lines of World War II War Labor Board, with members from labor, industry, and government.

• **No Controls Yet**—In short, NSRB isn't figuring on compulsory control and mobilization of manpower in the early stages of this conflict.

But if total war comes, such controls will be necessary. The Dept. of Defense asked NSRB to study the feasibility of providing manpower without controls in total war. NSRB's answer: It can't be done.

• **Politics**—Even if labor gets a voice in NSRB, it doesn't mean that labor leaders will channel their advice into the ears of that body alone. There will be some sounding off for union political purposes.

You can see a taste of what will come in the letter James B. Carey, director of the CIO's International Union of Electrical Workers, recently wrote Symington. Carey asked Symington to call an industry-management conference to work out mobilization plans, then promptly released the letter to the press.

The Pictures—Cover by Dick Wolters. Acme—25, 40; Black Star—105, 108 (bot); Graphic House—106; Int. News—21 (center); McGraw-Hill World News—108 (top); Wide World—21 (right), 26, 96; Dick Wolters—36.

Industrial
Eye Accident Costs
UP 78½%

*SINCE 1939

But Unlike
Other Costs
they can be
CUT
drastically
for ½ cent
per worker
per day



Industrial eye accidents can be lowered to the *vanishing point* when shop workers wear safety goggles—for adequate eye protection can prevent 98% of all eye accidents. With 1949 average hourly earnings estimated at \$1.41, a pair of goggles costs less than 2 hours loss of productive time that even a minor eye accident can cause.

Your AO Safety Representative has complete facts as to what an adequate eye protection program SAVES — industry by industry, including *yours*. Ask him to call.

Safety Products Division of

American Optical

COMPANY

SOUTHBRIDGE, MASSACHUSETTS • BRANCHES IN PRINCIPAL CITIES

"You're right! This paper makes our letters look 100% better!"



"Hammermill Bond makes any typing clearer and sharper. It's faster, too. We can erase on it without retyping the whole letter. We finish the mail on time."



On Hammermill Bond's firm, clear, snow-white surface your business messages have the right background of quality and prestige. Both the printed heading and your typing will stand out with new sparkle and impressiveness.

Ask your printer—a specialist in paper and printing. He'll tell you why he can furnish better letterheads on this fine paper—why it has been standard for many years with tens of thousands of progressive firms.

Prove it yourself, in your own office. Compare it with the paper you are now using.

SEND FOR FREE WORKING KIT OF HAMMERMILL BOND

A real "show-how" portfolio . . . actual printed specimens to help you design a letterhead to represent your firm properly . . . time-saving forms that cut down errors and waste . . . sample book of Hammermill Bond. Send coupon for your FREE kit now.

HAMMERMILL BOND



If you need a printer who is ready and willing to supply your printing needs on Hammermill papers call Western Union by number and ask "Operator 25" for the name of a member of the Hammermill Guild of Printers.

Hammermill Paper Company, 1455 East Lake Road, Erie, Pennsylvania.
Please send me—FREE—the new Working Kit of Hammermill Bond.



Name

Position

(Please attach to, or write on, your business letterhead) BW-7-22

LOOK FOR THE WATERMARK . . . IT IS HAMMERMILL'S WORD OF HONOR TO THE PUBLIC

Strike Miscount

Harvard economist claims BLS tally of jurisdictional strikes is consistently low. Error blamed on inadequate reporting system.

There are a lot more jurisdictional strikes than the government reports.

That is the conclusion that stands out from figures made public for the first time in the current issue of Harvard's Review of Economic Statistics.

• **Reporting Failure**—In an article that is sharply critical of the Bureau of Labor Statistics' strike series, John T. Dunlop blames the errors on the inadequacy of the BLS reporting system. Dunlop should know what he is talking about. In addition to his position on the Harvard economics faculty, he is chairman of the National Joint Board for Settling Jurisdictional Disputes in the Construction Industry. This board was established by joint action of the contractors' associations and the AFL building-trades unions in May, 1948.

BLS gets its strike information from questionnaires that follow up strikes reported in newspapers and union and trade publications, and by state and federal conciliators. The bureau limits its scope by defining a strike as a stoppage that involves at least six workers and lasts for at least one full shift.

• **Construction Case**—In the construction industry, Dunlop says, labor-relations developments, and particularly jurisdictional disputes, seldom are reported even in the local press. Still, the joint board, of which Dunlop is impartial head, gets reports on practically all stoppages over jurisdictional disputes between the AFL building-trades unions.

To illustrate his point, Dunlop discloses the number of jurisdictional stoppages that have occurred since the joint board was established two years ago.

During the last eight months of 1948, 81 stoppages came to the joint board's attention. BLS reported only 16 jurisdictional stoppages in the industry over the same period.

For 1949, the joint board lists 238; BLS shows only 75.

Dunlop's conclusion: "The present Bureau of Labor Statistics statistical breakdown for jurisdictional disputes has such extreme limitations that it should not be published until more adequate reporting can be arranged."

• **Stung**—BLS strike tabulators were stung by Dunlop's criticism, despite his protest that he was criticizing the system rather than the agency personnel.

BLS says it never claimed to report all strikes. Its strike figures only re-

IF YOU MAKE

Cleansers—for home,
commerce, industry
or institution

Sanitizers

Cosmetics

Insecticides

Weed Killers

Metal cleaning
compounds

Cutting Oils

Inks

Paints or Varnishes

Waxes

Polishes

One of the **ANTARA®** **SURFACTANTS**

**may make your products easier to sell
and less expensive to manufacture...**

Antara surfactants are important ingredients in some of the most spectacular, new products on the market today. They serve variously as detergents, as dispersants, as emulsifiers, as wetting agents, as foam builders, or as anti-foaming agents.

Some 30 industries—including the rubber, petroleum and rayon fields—have profitable uses for these *surface active agents*.

Extensive research staffs and facilities support the development and application of Antara surfactants—available to help you improve an existing product or develop a new one. Your inquiry is invited—without obligation. It will bring a prompt opinion as to whether one of the Antara surfactants may be adaptable to your needs. Kindly address your inquiry to Department 36.

ANTARA® PRODUCTS

SURFACTANTS... CARBONYL IRON POWDERS

GENERAL

ANILINE & FILM CORPORATION

**444 MADISON AVENUE,
NEW YORK 22, NEW YORK**

**1639 POPLAR STREET,
OAKLAND 7, CALIFORNIA**

In Canada: CHEMICAL DEVELOPMENTS OF CANADA LIMITED, LEASIDE, TORONTO 17

WHY TOLERATE BULK MATERIALS



**LOSSES?
TURN
THEM
INTO
GAINS
WITH
TOTE***

the sensational
new system for

HANDLING BULK MATERIALS

TOTE* System is solving bulk materials handling problems for a variety of industries from coast to coast—whether the bulk product be flour, sugar, salt, carbon black, cement, paint pigment, powdered milk or a number of other items. Every day industries, whose products or raw ingredients can be shipped, handled and stored in bulk, are finding new, practical uses for the TOTE System.

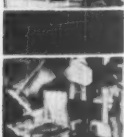
WHAT IS THE TOTE System?

TOTE is a system for handling bulk products or materials in easy-to-handle 74 cu. ft. aluminum containers known as TOTE* bins. Special openings for filling and discharging contents are tightly sealed when bin is loaded thus eliminating common sources of contamination and deterioration. The bins together with simplified filling and discharging equipment comprise the TOTE System.



Processors Say:

"TOTE System solves most of our problems of sanitation, deterioration, and plant maintenance. Sifting, dusting, spillage or spoilage—resulting from broken or leaking containers stop when TOTE takes over."



Plant Operators Say:

"TOTE bins handled by lift equipment have virtually solved warehousing problems, and have brought about lower inventories in every case. Direct economies resulting from eliminating bag costs and lower bulk prices in many instances, plus a savings in handling labor, puts TOTE at the top of every bulk product handler's 'must see' list."



Carriers Say:

"TOTE establishes an unprecedented ease of handling bulk products. By rail or truck, TOTE cuts handling time to a fraction, eliminates any special preparation of rolling stock, speeds turn-arounds, and reduces damage claims to the minimum. Tote really makes 'pay-loads' pay."

You, too, will say:



"I want to know more about TOTE."
WRITE FOR INFORMATIVE FOLDER
Without cost or obligation, you may also request a preliminary survey of your plant to be made by TOTE System's expert engineering staff. Write today!

* (Both Tote and Tote System, Reg. U. S. Pat. Off.)

Address your inquiry to Dept. BW-2

TOTE SYSTEM, INC.
Beatrice, Nebr., U. S. A.

flect the trend. Even if it knew of all the jurisdictional stoppages in construction, many would not go into the tabulation because they involve fewer than six workers or last less than a day.

BLS privately places major blame for the situation on the AFL unions and contractors who generally are reluctant

to disclose jurisdictional stoppages.

• **Improvement**—BLS feels it would be against public policy to discontinue reporting jurisdictional strikes statistics. Elimination of such stoppages is one of the major aims of the Taft-Hartley law. So BLS will try to improve the statistics.



JOBSEEKERS GALORE line up at Douglas plant as war orders make more work.

Plenty of Workers, Scarcity of Skills

That's the problem the aircraft manufacturers are up against. If war orders pile in, they'll be squeezed for manpower.

Aircraft manufacturers are taking a closer look at manpower reserves as a result of Korean war orders. They don't like what they see.

Before the Air Force handed out \$25-million in contracts to recondition World War II planes and engines, most companies weren't worried. They could always fill vacancies with workers they had laid off in earlier cutbacks.

Then the first real contracts of the new war-production drive came through. Companies began figuring what they would need if big orders began rolling in on a hurry-up basis. They were jolted to find the bottom of their manpower barrel in plain sight.

• **Plenty of Unskilled**—Not that there aren't plenty of jobseekers. Aircraft companies have been swamped lately. The trouble is that very few applicants are skilled or even semiskilled (BW—Jul. 15 '50, p. 19). Those with a lot of knowhow have jobs; they're in manufacturing plants, turning out consumer goods. Only the unskilled are left in any numbers.

• **Douglas' Problem**—Take the case of Douglas Aircraft, at Long Beach, Calif. Douglas now employs about 7,000 workers. It recently got an \$8-million contract to overhaul B-26 attack-bom-

bers. That means adding some 1,500 workers in the next few months.

When the Douglas war order was announced, 1,500 persons applied for jobs in a single day—80% of them women, 18% young men of draft age, and 2% high-school kids out after a summer job. Douglas had actual openings on that day for only 25 workers—and it didn't find even that many really worth taking.

As long as it can build up its work force gradually, Douglas isn't "too worried." It can juggle its seasoned workers for the engine-overhaul jobs, and place less-skilled newcomers on less-complicated demothalling jobs.

But what if more orders come in, particularly hurry-up orders for new planes? Douglas candidly admits it would have trouble. It would have to "import" some workers, train others.

• **Other Companies**—The same thing goes for other companies. They haven't "stockpiled" skilled workers as they did in prewar 1940-41, when everything was on a cost-plus basis.

• **Return of Rosie**—If they can't get enough skilled workers? Then you would see a revival of World War II training programs to turn a housewife into "Rosie the Riveter."

McGREGOR
SPORTSWEAR

Executive Offices

DAVID D. DONIGER & CO., Inc.

303 Fifth Avenue, New York 16, N.Y.

Mr. C. S. Saltzman
Underwood Corporation
One Park Avenue
New York 16, N.Y.

Dear Mr. Saltzman:

It is a pleasure to write to you concerning the nine new Model A Underwood Sundstrand Accounting machines we are using for accounts receivable and sales analysis.

The ease of operation and flexibility of these machines are producing hard-to-equal production records, eliminating operator training problems, and substantially reducing our operation costs.

After you had demonstrated these Model A machines to our M.V. Flora and our accountants we recognized at once that our efficiency could be increased and production stepped up substantially. Now that the machines are installed, I am glad to report that the results obtained are everything we expected.

Today, when every operating cost must be kept at a minimum, your Underwood Sundstrand Model A Accounting machines are making a substantial contribution for producing more at less expense.

Very truly yours,

D. Bouchie
Wm. F. Bouchie
Controller



Doniger's gratifying experience with Underwood Sundstrand Accounting Machines has been related over and over again . . . by thousands of enthusiastic users.

Why not employ this speedy, flexible, money-saving Sundstrand in your business?

You can use it for *Accounts Receivable, Accounts Payable, Payroll Records, Stock Records, Sales Analysis Records* . . . and many other applications.

Underwood Sundstrand operation is simple . . . fast . . . easy. Even untrained personnel acquire speed and proficiency after only a few hours' practice. The operator has only 10 figure keys to learn, and quickly develops a "touch" method . . . while the machine computes and prints *instantly, accurately, automatically.*

Call your local Underwood office for full details . . . or mail the coupon.

**UNDERWOOD
SUNDSTRANDS**
"are Reducing Our
Cost of Operations"

for

**DAVID D. DONIGER
& Co., Inc.**

... makers of

**McGregor
Sportswear**



Underwood Corporation

Accounting Machines . . . Adding Machines . . . Typewriters
Carbon Paper . . . Ribbons

One Park Avenue, New York 16, N. Y.

Underwood Limited, 135 Victoria St., Toronto 1, Canada

Sales and Service Everywhere

© 1957



Underwood Corporation

One Park Avenue, New York 16, N. Y.

Please send me new illustrated folder describing the time- and money-saving advantages of Underwood Sundstrand Accounting Machines.

Name

Company

Street

City.....Zone.....State.....

B. W. 7-22-50

Underwood Sundstrand . . . For Speed and Flexibility

Keep Sticky Heat Out Of Your Office—



With A New Frigidaire Room Air Conditioner!

It's torture to handle a full day's work in hot, humid weather. And it's needless torture—when you can enjoy the cool comfort of a new Frigidaire Room Air Conditioner so easily and inexpensively!

Smartly styled by Raymond Loewy, this compact window unit fits right into your office or any room of your home. It cools, filters, dehumidifies, circulates air—adding fresh air in amount you select. You'll like the quiet, fast-cooling action of its amazingly thrifty Meter-Miser—same refrigerating unit used in Frigidaire Refrigerators and warranted for 5 years.

You Can't Match A FRIGIDAIRE Room Air Conditioner



Over 400 Frigidaire commercial refrigeration and air conditioning products—most complete line in the industry.



Frigidaire Air Conditioning ranges from "package" room conditioners to central systems. Look for Frigidaire Dealer's name in Classified Phone Book. Or write Frigidaire Division of General Motors, Dayton 1, Ohio. In Canada, Leaside 12, Ontario.

For summer comfort in general offices, stores, show-rooms, factories, the answer is this larger Frigidaire Self-Contained Air Conditioner. It's quickly installed singly or in multiple. Compact, good looking, 3 and 5 ton capacities. Also ideal for your home, connected to any standard forced air heating system or installed independently.



Ruckus at Rouge

Ford's plans to shift some operations from Rouge run into union opposition as Local 600 fears job losses.

Decentralization solves some problems for employers. It also creates some new ones.

Take the Ford Motor Co., for instance. Ford wants to shift some of its production from the sprawling Rouge plant to new plants in Cincinnati, Cleveland, Buffalo, and elsewhere. Its reasons are similar to those that have induced a lot of other companies to decentralize in the past five years.

• **Why Move?**—In part, it is thinking about security needs in a big-bomb era. Another reason: Ford wants to turn out finished cars and trucks closer to its widely scattered markets.

But that isn't how Rouge Local 600 of the United Auto Workers (CIO) sees it. To the union, Ford's move is a "runaway" from tightly unionized Detroit.

• **Common Reaction**—There aren't any special circumstances to make the Rouge local feel that way. It's a common reaction. Wherever management talks about shifting operations from one plant to another, local union leaders see a threatening specter—fewer jobs and union members, dwindling economic and political influence, less union-dues funds to work with.

So union leaders set out to muster rank-and-file support against the proposed shift. It's easy to do: They only have to hammer on the possibility that a large number of workers will lose their jobs.

• **Ford Follows Pattern**—That's what is happening at the Rouge this week. Carl Stellato, aggressive new president of the 65,000-member Local 600, is heading a full-scale, angry drive to "protect" jobs at the Rouge.

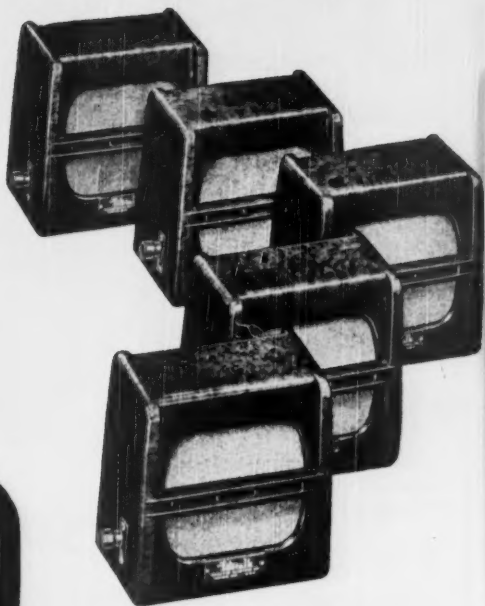
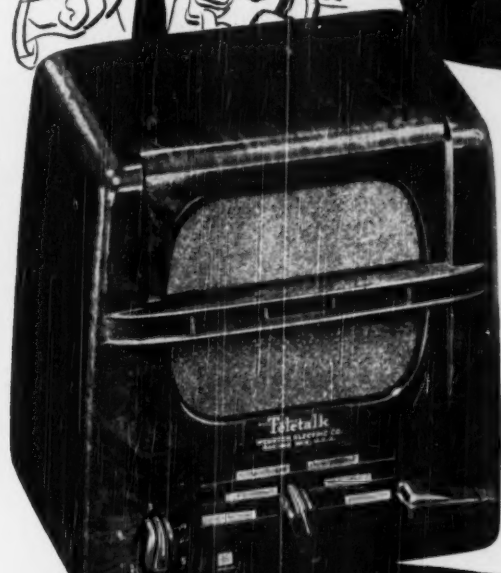
Stellato, backed by a Local 600 Committee on Job Runaway, wants to negotiate with Henry Ford II "on a solution . . . without economic loss to our people." The issue is building up in union meetings as a prelude to a proposed protest mass meeting of all Ford employees.

• **Union Argument**—Local 600 claims that Ford's decentralization plans will take the job of one out of every two employees at the Rouge. It estimates that 19,700 jobs will be moved out at the start and that ultimately 30,000 (nearly half of today's work force) would be affected.

• **Company Answer**—Though Ford's plans for the shift aren't complete, company officials don't expect more than



Saving Time
steps up productivity!



Teletalk
WEBSTER ELECTRIC
REG. U.S. PAT. OFFICE

INTERCOMMUNICATION SYSTEM SERIES 600

only \$**99⁵⁰**

one master and five speaker units

If you are trying to keep your overhead from soaring, you'll find that "Teletalk" 600 Series adds to the productivity of your personnel... releases "running-around" time for more important activities... helps you and your key people get more accomplished every day! Going from one office to another, walking the length of a store, traveling from one floor to another, take time that can be saved by using "Teletalk". This method of communication is simple to operate... just flip a switch... it's that easy. It allows your key personnel to speak to individuals in your organization without leaving their desks. To learn how inexpensive this time-saver really is, call Western Union Operator 25 and ask for the name of your nearest "Teletalk" dealer. He will be glad to arrange a demonstration.

WEBSTER  **ELECTRIC**
RACINE WISCONSIN

Webster Electric Company, Racine, Wisconsin

Established 1909

"Where Quality is a Responsibility and Fair Dealing an Obligation"

GLOBE SPRINKLERS



FIREMEN EVERY 10 FEET

All Fires Are Extinguishable
 GLOBE protection controls the FIRE menace, and places "strictly preventable", "partly preventable" and "cause unknown" FIRES all in the one class... EXTINGUISHABLE.

Install GLOBE Sprinklers now.
GLOBE AUTOMATIC SPRINKLER CO.
 NEW YORK... CHICAGO... PHILADELPHIA
 Offices in nearly all principal cities

THEY PAY FOR THEMSELVES

DO YOU HAVE—

a specialized business service that will help the American Executive to do his job

- BETTER?
- EASIER?
- FASTER?
- MORE PROFITABLY?

Then tell these executives about your services effectively and economically through the Business Services Section of "clues". Information without obligation by just dropping a line to

Classified Advertising Division

BUSINESS WEEK

330 W 42nd St New York 18, N. Y.

10,000 jobs to move from the Rouge. And the company believes it can accomplish this without any wholesale layoffs.

Ford says the work force wouldn't be reduced all at once; it will take two to three years to make the shift from the Rouge. The company wants to let the normal number of quits and retirements reduce the work force during that period. They won't hire many replacements at the Rouge: That would make up for new hiring at the proposed plants.

Ford's quit rate, as reported recently by a company official, is 3% a month. At that rate, about 2,000 workers leave Ford voluntarily every month. So Ford, with no need to hurry, thinks it can reduce payroll by 10,000 workers without anyone suffering.

• **Then Why the Fuss?**—Ford people put their cards on the table for Local 600 officers right at the start. The company also advertised that it contemplates no big layoffs, hoping to relieve rank-and-file fears of lost jobs. But the explanations haven't stayed the storm of protests.

In part, this is because Ford can't get around the fact that there will be fewer jobs at the Rouge—even though the jobs will be filled elsewhere. Until the company's plans are solid, it can't produce detailed figures to counter the union's job-shift claims. And it's hard to convince assembly-line workers that normal quits will take care of a 10,000 reduction in jobs.

LABOR BRIEFS

Rail strike postponements were voted by three unions, thus averting July 15 transportation tieups. Union said the Korean war influenced their decision—not the prospect of federal intervention if they struck.

Lake Erie dock strike, which tied up coal and ore shipments for 27 days, ended this week. AFL longshoremen got a 7½¢ hourly raise (they wanted 20¢) and left other issues to factfinding.

"Moonshining" has cost a lot of men their jobs, unions complain. They want Congress to cut liquor taxes so legal distillers can compete with "non-union-made, non-tax-paid moonshine."

New index service lists all labor-relations and personnel articles in convenient looseleaf binder for management reference shelves. It's put out by Detroit Labor Trends, North End Station, Box 164, Detroit 2.

Birthday issue of BLS' Monthly Labor Review is a "must" for management. Just out, it features in 200 pages: (1) articles on labor progress from 1900 to 1950; (2) a reappraisal of some of the influential labor literature of the period; and (3) a 50-year chronology of important labor events. Order it (40¢) through BLS in Washington.

Cost of Living Moves Up Sharply

	Total Cost of Living	Food	Clothing	Rent	Gas & Electricity	Other Fuels	Ice	House Furnishings	Misc.
August, 1939.....	98.6	93.5	100.3	104.3	99.0	96.3		100.6	100.4
June, 1941.....	104.6	105.9	103.3	105.8	97.4	105.4		105.3	103.3
June, 1942.....	116.4	123.2	125.3	108.5	96.6	113.1		122.3	110.9
June, 1943.....	124.8	141.9	127.9	108.0	96.1	118.9		125.4	115.7
June, 1944.....	125.4	135.7	138.0	108.1	95.6	123.2		138.4	121.7
June, 1945.....	129.0	141.1	145.4	108.3	95.2	124.5		145.8	124.0
June, 1946.....	133.3	145.6	152.2	108.5	92.1	128.4		156.1	127.9
June, 1947.....	157.1	190.5	185.7	109.2	91.7	143.0		182.6	139.1
June, 1948.....	171.7	214.1	196.9	117.0	94.2	180.6	134.2	194.8	147.5
June, 1949.....	169.6	204.3	190.3	120.6	96.9	183.0	140.0	187.3	154.2
July.....	168.5	201.7	188.5	120.7	96.9	183.1	139.9	186.8	154.3
August.....	168.8	202.6	187.4	120.8	97.1	183.1	141.1	184.8	154.8
September.....	169.6	204.2	187.2	121.2	97.1	185.9	141.5	185.6	155.2
October.....	168.5	200.6	186.8	121.5	97.0	188.3	145.6	185.2	155.2
November.....	168.6	200.8	186.3	122.0	97.0	190.0	146.6	185.4	154.9
December.....	167.5	197.3	185.8	122.2	97.2	191.6	145.5	185.4	155.5
January, 1950.....	166.9	196.0	185.0	122.6	96.7	193.1	145.5	184.7	155.1
February.....	166.5	194.8	184.8	122.8	97.1	193.2	145.5	185.3	155.1
March.....	167.0	196.0	185.0	122.9	97.1	194.4	146.6	185.4	155.0
April.....	167.3	196.6	185.1	123.1	97.2	195.6	146.6	185.6	154.8
May.....	168.6	200.3	185.1	123.5	97.1	189.1	146.6	185.4	155.3
June, 1950.....	170.2	204.7	185.0	123.9	97.0	189.4	146.6	185.2	155.3

* Ice grouped with "other fuels" prior to 1948. Data: U. S. Bureau of Labor Statistics; 1938=39 = 100.

*No more bulky samples
to pack and unpack*



*A complete sales
demonstration
in one package*



*More calls—and more
productive calls—
every day*



*Salesmen "go" for
this efficient new aid*



A Portable Showroom For Every Salesman!



Color slides for use in the Kodaslide Table Viewer are easy to get. Most commercial photographers can provide them, or you can make them yourself with a Kodak miniature camera or the Kodak Fluorolite Camera Combination.



Private showings of your products . . . or graphic delivery of your message . . . can be easy and effective when you equip your representatives with the Kodaslide Table Viewer. A single, self-contained unit, it projects enlarged images of 2 x 2-inch slides on its own screen, shows them bright and colorful even in a fully lighted room. All the conviction and power of excellent color pictures is added to your salesman's presentation. The complete kit, with as many slides as you need, weighs about 18 lbs., including carrying case. The Kodaslide Table Viewer is so neatly styled and so easy to operate that your men will be glad to use it, especially when they learn how much more effective it makes their sales work. Price, \$95 at Kodak dealers'. Carrying case, \$27.50.

EASTMAN KODAK COMPANY, Rochester 4, N. Y.

Kodak
TRADE-MARK



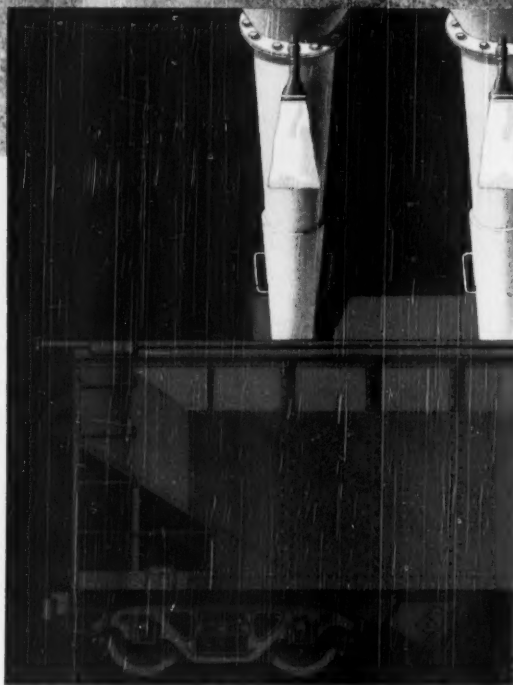
Why refractory manufacturers prefer Alcoa Aluminas for their mixes

Ceramic engineers know that the performance of refractories is stepped up when the mix contains alumina. They also know that the *higher* the alumina content, the *better* the refractory performance.

But even more important, from the performance standpoint, is the uniform high purity of ALCOA'S complete line of aluminas. This uniformity of the various aluminas permits the refractory manufacturer to set higher guaranteed minimums, and to obtain higher *rated* performance than would be possible with aluminas of lesser uniformity or lower purity.

Chemicals sold under the "ALCOA" trademark are unsurpassed in quality, yet they are available in large quantities at low cost.

We have a number of reprints of articles, taken from the literature regarding the performance of alumina-content refractories. Let us send you copies of these statements prepared by refractory engineers who use ALCOA Alumina. Write to: ALUMINUM COMPANY OF AMERICA, CHEMICALS DIVISION, 600c Gulf Building, Pittsburgh 19, Pa.



Thousands of tons of bauxite are processed daily to produce millions of pounds of ALCOA Aluminas per day. Readily available—from a single bag to a train load.

Alcoa Chemicals



ALUMINAS and FLUORIDES

ACTIVATED ALUMINAS • CALCINED ALUMINAS • HYDRATED ALUMINAS • TABULAR ALUMINAS • LOW SODA ALUMINAS
ALUMINUM FLUORIDE • SODIUM FLUORIDE • SODIUM
ACID FLUORIDE • FLUOBORIC ACID • CRYOLITE • GALLIUM

INTERNATIONAL OUTLOOK

BUSINESS WEEK

JULY 22, 1950



The U. S. still is not mobilizing for all-out war (page 19).

The plans Truman announced on Wednesday have a more limited scope: (1) to take care of Korea and one or two other possible "incidents"; (2) to warn Stalin that we'll go further, if necessary.

That means, of course, that Washington still thinks Stalin won't strike in Europe now. Our position since Korea has been this: An attack in Europe means full-scale war with Russia; further attacks in Asia, on the other hand, mean putting out a series of fires with whatever firemen we can get to the spot.

•
From now on, everything depends on what Stalin's game is. And you can get at least three theories on that.

•
First, there's the theory that Stalin has decided to force a diplomatic showdown with the U. S. this year. He may want a deal which would make Germany and Japan neutral buffers between East and West. To get this, the Russian dictator is ready to risk a general war.

In this light, the Communist attack on South Korea is a preliminary move to tie down U. S. strength in Asia. More blows will fall in the Far East soon.

The U. S. then will become entangled in a military mesh in Asia. We couldn't commit any sizable forces to Europe.

At that point, a Russian threat to Europe would catch the U. S. off balance. We'd be in a bad spot for diplomatic bargaining as well as for all-out war.

•
A second school has the same view about Stalin's ultimate goal. But it holds that he will use the next few months for diplomatic maneuvering rather than more military action.

For example, Stalin's aim in dickering with Prime Minister Nehru of India is to destroy U. S. leadership in the United Nations Security Council.

The Russian dictator knows the U. S. won't agree to mediation in Korea until the Reds retreat to the 38th parallel. But already he has sold Nehru on the idea of seating Communist China on the Security Council before doing anything about a cease-fire in Korea.

If Nehru sticks to this line, the U. S. could be stymied in the Security Council. India, Egypt, and Yugoslavia could form a minority strong enough to block further action.

Stalin probably has other diplomatic moves up his sleeve. He might get Communist China to propose a peace treaty with Japan, including a generous trade deal. This would be bait for those Japanese who want to stay neutral in the East-West struggle.

•
There's the third possibility that Stalin, like Hitler in 1939, has decided that now is the time to strike hard. Korea, in that case, will be the opening gun in World War III.

It's now known that Hitler, in 1937, thought his best military bet would be 1943-45. But two years later, he decided time was running out.

Up to now, the West has assumed that Stalin was counting on 1952-54 as the earliest date he could be ready for war. But Stalin, too, may want to speed up his timetable.

•
If Stalin's aim is the conquest of Europe and Asia, it's not hard to

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK

JULY 22, 1950

see why he might pick this year or next. In western Europe today, he faces an area that's all but disarmed. In three or four years, western Europe could be strong enough to put up a good fight, especially if Germany were allowed to rearm.

In Asia, a violent native nationalism could cause Stalin trouble, even with local Communists on the job everywhere. He may figure that war against the West is the only way to control the nationalists. It would give him the chance to put Russian commanders in all the key spots.

•
There's another thing that could turn Stalin's head.

Russia, since World War II, has not converted to a peacetime economy.

No exact figures are available, of course. But it's a safe guess that since 1945 Russia has spent about 35% of its national income on war preparation.

Assume that Russian national income is \$75-billion a year. You then get at least \$25-billion a year for war—or \$125-billion for the five years. Of this total, probably over \$40-billion has gone into weapons, mostly tanks and planes, that will be obsolete in a few years.

So Stalin must wonder whether he can afford to wait any longer.

•
Despite the Korean war, the new Plevin government in France has decided to put butter ahead of guns—for the time being, at least.

To survive politically, Plevin has to raise wages 15% to 20% by Sept. 1. That will boost the civil-service payroll by almost 100-billion francs.

But the government figures this hike in the "butter" bill is a military as well as political must. French military leaders today are as worried about local Communist uprisings in the event of war as they are about a direct Russian attack. It's hoped that a higher standard of living will thin out Communist ranks.

•
Unofficial reports in Paris say that this year's budget will be in the red by 300-billion francs (roughly 15% of the total budget). Next year the deficit may be double that.

What's more, inflation has started up again. Consumer price indexes have moved up nearly 10% since the Korean war started.

French officials say there's no chance at all of controlling inflation if Plevin goes in for heavy arms spending.

•
Thus Paris may soon be telling Washington: "If France is to be defended, the U. S. will have to pay for the guns. We will have our hands full giving Frenchmen enough food to make them willing to fight."

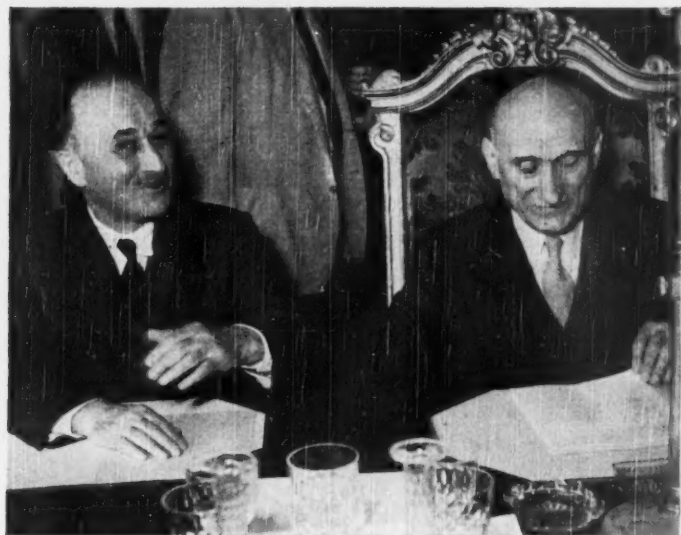
•
There's no talk yet in Britain about bringing back government controls or converting industry to war.

But London has begun to worry about the cost of more defense.

The question is whether Chancellor Cripps can get the new money he needs through still higher taxes. Cripps has hinted he'll take the tax route rather than credit expansion or direct cuts in social services.

British economists have little faith in either taxes or inflationary financing. But they think that Cripps eventually will have to pin more reliance on inflation—and less on taxes—if defense costs rise sharply.

BUSINESS ABROAD



POOL PLANNERS: Jean Monnet (left) and Foreign Minister Robert Schuman.

Schuman Plan By Yearend

There are still bugs to be ironed out, and critics [from all sides] are still hurling monkey wrenches, but it looks like the West Europe steel-iron pool will be operating before 1951.

PARIS—The Schuman Plan for pooling western Europe's coal and steel production is as good as in. The chances are that it will be in operation before the end of the year. But you can't expect too much of it. The Schuman Plan isn't going to remake the political and economic map of Europe.

Plenty of western Europeans are already discounting the political effects of the plan. They don't think it will be what a lot of its boosters claim—the cornerstone of a European political union. They doubt that you can get political federation through economic means. They believe that there has to be some strong federating power before any real unification will come about.

• **Cartel?**—Some Europeans are even discounting the economic importance of the plan. They think it will wind up being nothing more than a restrictive coal-steel cartel—unless American capital comes into western Europe and its dependencies in big enough chunks to start a general business boom.

But if there isn't any big wave of industrial expansion, steel plants will have to close for lack of markets, they

say. And there's no chance that shut-downs can be handled under the plan in any other way than in prewar cartel days. That means horse-trading—if a plant is shut down in Belgium, one will probably also be closed in France, and so on.

• **U. S. Investment**—Besides, beginning of mobilization in the U.S. pretty well knocks out the chances of heavy U.S. investment in Europe's consumer-goods industries. On the other hand, war preparations may help reduce the threatening steel surplus in Europe.

In that case, the Schuman Plan won't get a chance to show whether it really can solve the surplus-steel problem in Europe.

• **Economic Results**—On the economic side, the immediate results of the pool operation will probably shape up something like this:

(1) There's bound to be some unemployment in France and the more inefficient French plants may go out of business, unless war production is stepped way up.

(2) In West Germany, the pool will block the nationalization of the steel industry. The pool will also make it politically easier for Germany to start

producing war materials—as a prelude to rearming. And it will rip the 11.1-million ton ceiling off German steel production.

(3) Over-all, the pool will increase the productivity of western European coal and steel industries. And it may bring steel prices down slightly, but probably not enough to threaten the British. Britain's biggest worry in the past has been German dumping of steel—but that won't be allowed under the pool.

It looks now as though the treaty outlining the general principles of the pool will be finished within the next four to six weeks. It may be ratified by early fall. And, with luck, the technical details will be ironed out and the pool functioning by the year's end.

• **Treaty Provisions**—The shape of the treaty is already pretty clear. These probably will be its main provisions:

• A High Authority will be set up to run the pool. It will be responsible to a Common Assembly elected by the parliaments of the member countries.

• The authority will be limited to less than a dozen persons, appointed by the member governments acting together. The French want each country to submit a list of candidates for seats on the authority. Then they want the foreign ministers of each country to choose the best qualified, regardless of their nationality.

Thus, if the French have their way, it could happen that a member country might not be represented on the High Authority at all. But chances are this procedure will be watered down—the more sovereignty-minded Belgian, Dutch, and Luxembourg delegations don't like this French proposal.

• The Common Assembly will probably meet annually to debate the High Authority's report. If the assembly doesn't like the report, it will be able to force the group resignation of the authority by a two-thirds vote.

• There's a system for appeal that member governments can use. But individual companies will only be able to use it when they are the direct object of a High Authority decision. The procedure: The government, or individual enterprise, will request the High Authority to reconsider a decision. Then it can go to a special arbitration court. The court will have the power to request the authority to modify its decisions, when it finds they endanger economic expansion or a country's balance of payments.

• The High Authority will organize an information service and a system to speed cooperation between governments, private companies, and other interested organizations. Committees of workers, consumers, and employers will be set up to advise the authority. And regional producers' associations may be pressed into service as inter-

COPY-The Core of Advertising

1. This sound manual explains what kind of copy makes people buy. It shows you how to find out who your prospect is... how to associate his wants with whatever you're selling... how to put into headline and text the punch that pays off in stepped-up sales. You'll find complete coverage of testing copy, constructing copy—how to get your copy seen, read and believed, etc., etc.

COPY
The Core

By Aesop Glim.
258 pages, \$3.00

PROFESSIONAL SALESMANSHIP

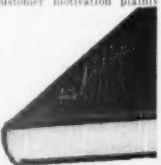
2. An unusually different guide that shows you how to handle every selling situation professionally. It shows you how to talk about you, your prospect, and everyday selling problems. Covers everything from finding your prospects and winning their confidence to presenting your claims, overcoming objections, and landing the order.



By Charles B. Roth
278 pages, \$3.50

What Makes People Buy

3. The real facts of what people really want and what controls their buying—how the salesman can use these facts. Provides hundreds of ideas to help you improve your selling technique, and meet the conditions that make people buy.



By Donald A. Laird
237 pages, \$3.50

HOW TO SELL THROUGH MAIL ORDER

4. A manual that explains every phase of mail-order selling; shows how to use it profitably in hundreds of businesses. Covers the subject inside out from testing and keying to radio copy and direct-mail sales... how mail selling can open new outlets, support present ones.



By Irvin Graham.

446 pages, \$4.00

SEE THESE BOOKS 10 DAYS FREE

McGRAW-HILL BOOK CO.

330 W. 42nd St., N.Y.C. 18, N. Y.

Send me book(s) corresponding to number enclosed below for 10 days' examination on approval. In 10 days I will remit for book(s) I keep, plus few cents for delivery and return unwanted book(s) postpaid. (We pay for delivery if you remit with this coupon, same return privilege.)

1 2 3 4

Name _____

Address _____

City _____ Zone _____ State _____

Company _____

Position _____

RM-7 22-36
This offer applies to U. S. only

mediaries between these committees and the authority.

• The authority will have its own money—raised from loans and from levies on sales of coal and steel. These funds will take care of expenses incurred in administration, reconversion and modernization investments for inefficient plants, and some additional new investments.

• The treaty will also require the governments to help create a single European market for coal and steel. They will have to take measures to abolish tariffs, quotas, double-pricing, discriminatory freight rates, and other restrictions within the area.

• The authority is sure to get some powers over prices and wages. It will probably require producers to end price discrimination. They will be forced to give up basing-point pricing, and they will have to quote prices f.o.b. from the mill or mine on the same basis to all customers.

This arrangement will go even further than FTC regulations in the U.S. Western Europe's producers won't be allowed to absorb freight at all; neither will they be permitted to quote lower prices to distant customers in order to meet competition.

The authority will recommend wage increases to member governments or individual companies; and the treaty will require them to follow the suggestions.

• Finally, the treaty will run for an unlimited period of time—and there's a 50-50 chance that there will be a clause specifying that a member government will not be permitted to withdraw from the pool unless the other pool

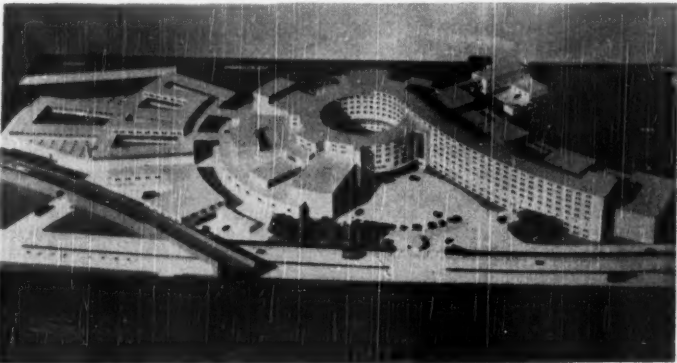
members are in unanimous agreement.

• **Obstacle**—One big point is still unsettled: What will be the working relationship between the member governments and the High Authority? How much control will the governments be allowed over the authority's decisions? The Benelux delegations are particularly anxious to give members a checkrein on the authority.

That's the main obstacle that must be hurdled before the treaty can be wrapped up. It's now sure that some sort of permanent tie between the governments and the High Authority will be made—but just how binding it will be remains to be seen.

• **Criticism**—Economic nationalists of all political colors still want none of the pool. They say the pool is an American-German plot, paving the way for the future domination of Europe by U.S. private capital. They figure that French steel men are counting on getting a nice comfortable cartel—but when the Americans find out what's really going on, they'll pressure the governments to scrap the cartel provisions of the pool and bring back real competition. Then the coal and steel industries of Europe will become completely dependent upon capital from the U.S. if they are to keep afloat.

Military men are afraid that the pool will encourage neutrality thinking. They see the only salvation for the West in a tight Atlantic union on economic and political as well as military levels. They feel that the Schuman Plan, by wasting energy on another futile European integration effort, will divert attention from the real need—effective Atlantic planning.



Britain Plans Its Own Radio City

Come 1952, New York's Radio City will have nothing on London. By then, the first units of the British Broadcasting Co.'s rakishly modern White City are expected to be finished. The new BBC headquarters will occupy a 13-acre site at Shepherd's

Bush, London; the total cost is likely to be between \$11-million and \$14-million. In the model above, the circular building and the buildings on the right will be erected first. They'll be devoted entirely to housing BBC's expanding television services.



"OUT ON TIME... ME AND THE PAYROLL!"

She's happy—heading for home right on time the night before payday. Her boss is happy—paychecks ready without overtime . . . without the frantic rush of pre-Burroughs payroll days.

This is the scene on payday eve in thousands of offices across the country where Burroughs payroll accounting machines speed and simplify check preparation. A single machine writes as many as 350 checks and earnings statements an hour . . . or writes the checks and posts the ledgers and journals simultaneously and swiftly. Burroughs automatic simplicity reduces operator fatigue . . . cuts time, equipment and personnel costs.

Your Burroughs man will show you how Burroughs payroll accounting machines can eliminate headaches and expenses in your payroll department. Get in touch with him today, or mail coupon.



**BURROUGHS HIGH-SPEED
PAYROLL MACHINE**

"Reduce Your Payroll Work" explains in detail two Burroughs plans for cutting the cost and time of payroll preparation with Burroughs High-Speed Payroll Machines. Send coupon for your copy.



Burroughs Adding Machine Company
Detroit 32, Michigan

I would like the facts on Burroughs High-Speed Payroll Accounting Machines. Please send me "Reduce Your Payroll Work."

Name

Street

City State 5W 34

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



IT'S LATER THAN YOU ~~THINK~~ *thought!*

INDUSTRY IS EARNESTLY ADVISED BY
military and government agencies

TO DECENTRALIZE
TO MOVE INLAND

MAYBE they're unduly alarmed

—MAYBE

BUT when this advice is also advanced by economic analysts, by industrial consultants and your own common sense,

IT'S TIME TO MOVE TO

someplace where there are:

better working conditions
lower production costs
more trouble-free operation

For your consideration in this respect, we respectfully present NEBRASKA with its

unlimited, constant-temperature
WATER
low taxes
high-grade intelligent workers
higher man-hour production.

AND—the genuine joy of living felt by everyone (not just the hunters and fishermen) living in this healthful atmosphere.

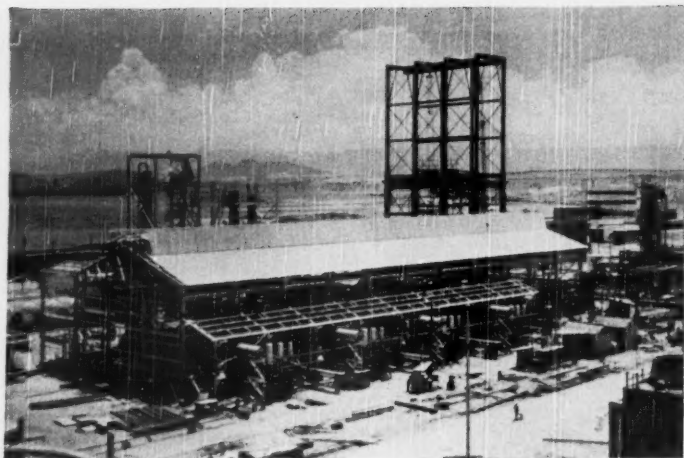


DO YOU KNOW

Store fixtures made in Nebraska are sold throughout America. This manufacturer saw real production opportunity here 30 years ago—started, stayed and is still growing in Nebraska's healthy, industrial climate.

Write for descriptive folder to
Nebraska Resources Division
State of Nebraska, Lincoln
(Re-published by request)

Neighborly
NEBRASKA



FERTILIZER PLANT, built with U.S. help at a cost of \$10-million, will supply . . .



MEXICAN FARMERS with 70,000 tons of ammonium sulphate fertilizer each year

U. S. Helps Mexico Boost Agriculture

Inter-American cooperation builds a Mexican fertilizer plant to give agriculture a needed shot-in-the-arm.

Mexican agriculture is going to get a badly needed shot-in-the-arm—a new \$10-million fertilizer works. The plant, due to be completed in September, will also show off the results of inter-American teamwork.

• **Efforts Pooled**—To do the job, Mexican labor, building materials, contractors, and capital were pooled with U.S. knowhow and equipment. The Export-Import Bank came through with a \$5.5-million loan. Mexico's government lending agency, Nacional Financiera, put up the other \$4.5-million.

The result: an up-to-date plant that will turn out 200 tons of ammonium

sulphate fertilizer daily, plus 50 tons of sulphuric acid as a byproduct.

• **U.S. Role**—U.S. businessmen have been in on the project since the start. Pittsburgh's Blaw-Knox Co. was in charge of construction, sent a team of experts to Mexico to mastermind the whole project. New York's Chemical Construction Corp. (a subsidiary of American Cyanamid Co.) designed the plant and bought \$4.5-million worth of equipment for it in the U.S.

• **Mexico's Part**—A Mexico City contractor took over the actual construction, brought 1,200 workers to the job. The structural steel was fabricated in

Mexico, and some electrical equipment was purchased from Industria Electrica, S.A., a Mexican subsidiary of Westinghouse. Guaneros y Fertilizantes, S.A., a government firm headed by Mexican economist Carlos Benitez, will run the plant.

• **Boost for Agriculture**—The yearly output of 70,000 tons of ammonium sulphate will give a big boost to Mexico's program to raise food production. Like other Latin-American countries, Mexico is trying to pep up its tired-out farm lands. And it needs fertilizer to do the job.

In the past, Mexico has depended on guano, plus some imported ammonium sulphate. But the imports—at \$93 a ton—were too costly for Mexican farmers. The new plant will cut the cost down to \$41 a ton, bring fertilizer within the range of the larger Mexican farmers. For the small farmer, there will be special government aid.

• **High Praise**—Both Blaw-Knox and Chemical Construction are well pleased with the Mexican operation. Though four to five times as many workers were employed as would be on a similar U.S. project, both companies had high praise for Mexican labor. And they would like to see more such plants a-building in Latin America. Chemical Construction says that there have been "lots of inquiries" about fertilizer plants in Latin America, but the old dollar-shortage bogey nips most of the projects in the bud.

SEATTLE OPENS UP

The city of Seattle has set a policy on buying foreign goods that might be a pattern for other cities throughout the U.S.

Seattle officials and businessmen are dropping any barriers against the sale of foreign-made goods to the municipal government. Mayor William F. Devin has told the city council, "It is my considered conclusion that we should not establish any arbitrary barriers against foreign bids."

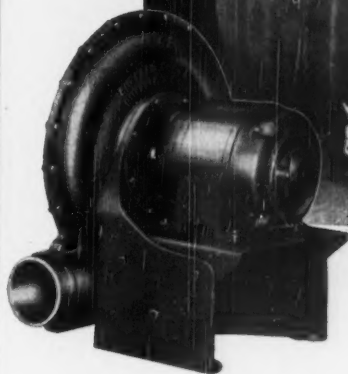
A month ago, Mayor Devin had given tentative approval to Seattle's "Buy American" plan—an ordinance that would ban city purchases of foreign goods unless they were at least 25% cheaper than comparable U.S. products (BW—Jun. 10 '50, p. 126). The ordinance followed the unsuccessful attempts of two British companies to sell electrical equipment to Seattle's power and light system.

In his new policy statement, Mayor Devin explained his switch: "Seattle, as a great seaport city, derives a large amount of its economic income from shipping and foreign trade. . . . If we expect ships to leave our ports filled with cargo, we must expect them to return with cargo."

AIR BY

Buffalo

HOLDS UP
RADAR-SHELTERING
"BALLOON"



-- ANOTHER USE FOR

Buffalo

FANS

Two "Buffalo" No. 5-E Blowers, like the above, and a No. 4½-E Blower, are used for inflating each of the 36 giant "radomes" made by Firestone Tire and Rubber Company for protecting Air Force radar equipment. All these fans are lightweight cast aluminum for transporting by air.

A half pound of air pressure holds up this 36-foot-high "radome", even in a 125-mile gale! Buffalo Fans are used to inflate this shelter for sensitive radar equipment. Made of rubberized fabric, this "radome" is entered through tunnel and air lock. It has no metal or wood supports of any kind.

When you have a job to be done by air, remember, "Buffalo" Fans have been satisfying discriminating customers for 72 years.

Write us about your air need.

BUFFALO FORGE COMPANY

438 BROADWAY

BUFFALO, NEW YORK

Canadian Blower & Forge Co., Ltd., Kitchener, Ont.

Branch Offices in All Principal Cities

PANEL BREEZO FANS BELTED VENT SETS BELT-AIR FANS
BREEZ-AIR ATTIC FANS "L" BREEZO FANS "NV" BREEZO FANS

Brighten up your bright ideas
USE EASTERN'S
Atlantic Bond
{AVAILABLE IN WHITE, CREAM AND TWELVE COLORS}

for your sales Letters
and bulletins

EASTERN CORPORATION
BANGOR • MAINE



Your Advertising in
BUSINESS WEEK . . .



regularly reaches the attention of over 200,000 management subscribers. Surveys show that the average Business Week subscriber shares his copy with two of his business associates . . . thereby giving you a total audience of more than 600,000 important prospects.

Woman Trouble

Sweden's women flock to cities for clerical work; men head for the hills—and heavy industry. Problem: Get 'em together again.

Young girl wishes a relationship (possibly marriage) with a nice gentleman (25-35 years old). Reply to 'Let's Try.'

Where can I find a tall, educated man, fond of the outdoors and of children, between 35 and 40 years old, who will keep me and my little 14-year-old daughter company on a bicycle tour and bathing holiday this summer? Reply to 'S.—Alone.'

• **Problem**—Classified ads such as these—lifted out of Stockholm's "Dagens Nyheter"—can be duplicated any day of the year in dozens of Swedish newspapers. They illustrate one of Sweden's leading labor problems: sex distribution.

Here's what has happened: Swedish men have been pulled to the mining, steel, iron, timber, and other heavy industry towns in the back country, hundreds of miles from the big cities of Stockholm, Malmo, Gothenburg. The girls, on the other hand, have flocked to the cities for jobs as typists, teachers, waitresses, clerks, nurses, technicians.

Though there are a lot more women than men in the cities, the girls figure they have a better chance of snagging a male in heavily populated areas. Their migration has been especially hard on the small textile and other light-industry towns, particularly in a period of acute labor shortage. Swedish export industries need an additional 25,000 workers immediately.

• **Remedy**—Since 1945, the Swedes have been trying to remedy the situation. The Swedish Employers Assn., the Federation of Swedish Industries, and the government's Labor Market Board have been pressing for a relocation of industry—to make the girls and boys happier. And there are other reasons for relocation, too. Swedes want to spot light industries in communities previously dependent on one single pulp or saw mill. In such areas, a fall in world prices or the exhaustion of raw materials can bring economic disaster.

• **Results**—The Swedes are getting results. For example: In the province of Norrland, clothing and other light female industries have been set up. Before, there was only one town in the entire province that had a factory employing women.

At Nydal, in the far-north province of Angermanland, a shirt factory has been set up to employ women. It's the first in town.

In the big steel towns of Bofors,

Sandviken, and Eskilstuna, raincoat, cheese, and toy factories have been set up—all employing women.

And at the same time, some heavy industry has moved to the textile towns of Norrköping and Borås, balancing up the labor force.

All the changes have taken place through the voluntary cooperation of Swedish industry and the government. New, small enterprises, found to be in the "public interest," get easy-term loans, other support. In the future, it looks as if Swedish manpower—and Swedish womanpower—should be more effectively distributed.

BUSINESS ABROAD BRIEFS

New Zealand's geysers may go to work. The N.Z. government has appropriated \$224,000 for research to see if the geysers can be harnessed to generate electric power.

Canadian auto manufacturers turned out 186,847 cars, trucks, and buses in the first six months of 1950. That's a record for Canada.

Atomic Pile in India will be working in about six months. The \$2-million plant will use monazite, a uranium and thorium-bearing mineral.

Britain's steel mills rolled out 8,309,000 tons from January to June, 1950. That's Britain's all-time high for any six-month period.

Bogota, Colombia's capital city, has ordered 80 buses from White Motor Co., Cleveland. They're to replace city-owned streetcars. Total cost: \$1,453,000.

North British Locomotive Co. lost a \$4-million order to Krupp of Germany, which promised South Africa 100 locomotives at lower prices, faster delivery.

Venezuela has O.K.'d U.S. Steel Corp.'s \$200-million plan to develop the country's rich iron-ore deposits. Big Steel will dredge the Orinoco River, carry the ore to the sea in ships (BW—Feb. 11 '50, p. 19).

New York's parkway wizard, Robert Moses, may do a face-lifting on Sao Paulo, Brazil. The city has asked for \$90,000 in dollar exchange to retain Moses and five other U.S. city planners.

Czech cars—200 of them—have arrived in Mexico City. They're the first fruit of the Mexican-Czechoslovak trade agreement signed last December. Mexico is sending raw materials in return.

ADVERTISERS IN THIS ISSUE

Business Week—July 22, 1950

ACME STEEL CO.	48	GLOBE AUTOMATIC SPRINKLER CO., INC.	100
Agency—Leo Burnett Co., Inc.		Agency—Marshall & Pratt Co.	
ALLEGHENY LUDLUM STEEL CORP.	51	GOODYEAR TIRE & RUBBER CO., INC.	19
Agency—Walker & Downing, General Agency		Agency—Kudner Agency, Inc.	
ALUMINUM CO. OF AMERICA, CHEMICAL	102	GRAY MANUFACTURING CO.	49
Agency—Ketchum, MacLeod & Grise, Inc.		Agency—Erwin, Wasey & Co., Inc.	
AMERICAN CYANAMID CO.	38	GREAT NORTHERN RAILWAY CO.	41
Agency—Hazard Advertising Co.		Agency—Campbell-Mithun, Inc.	
AMERICAN OPTICAL CO.	93	GUNNISON HOMES, INC.	60
Agency—Sutherland-Abbott		Agency—Advertising Assoc.	
AMERICAN SURETY GROUP	84	HAMMERMILL PAPER CO.	94
Agency—Albert Frank-Guenther Law, Inc.		Agency—Barton, Barton, Durstine & Osborn, Inc.	
AMERICAN TELEPHONE & TELEGRAPH CO.	5	HARDWARE MUTUALS	89
Agency—N. W. Ayer & Son, Inc.		Agency—Boche, Williams & Cleary, Inc.	
ANTARA PRODUCTS, GEN'L ANILINE & FILM CORPORATION	93	HERCULES POWDER CO.	87
Agency—R. T. O'Connell Co.		Agency—Fuller & Smith & Ross, Inc.	
BAKELITE DIV. OF UNION CARBIDE & CARBON CORP.	35	THE HINDE & DAUCH PAPER CO.	69
Agency—J. M. Mathes Inc., Adm.		Agency—Howard Sinkin Adv. Agency	
BAKER REFRIGERATION CORP.	50	THE INTERNATIONAL NICKEL CO., INC.	17
Agency—Wm. B. Remington, Inc.		Agency—Marshall & Pratt Co.	
BANKERS TRUST CO.	1	IRON FIREARM MFG. CO.	71
Agency—Cowan & Dangler, Inc.		Agency—Joseph H. Gerber Co.	
BECHTEL CORP.	61	JENKINS BROS.	14
Agency—Hoyer & Strauss, Inc.		Agency—Hutton, Noveck Co., Adm.	
BELLOWS CO.	40	KIMBERLY-CLARK CORP.	85
Agency—Ralph Gross Adv., Inc.		Agency—Foote, Cone & Belding	
BENDIX AVIATION CORP.	74	THE LAMB ELECTRIC CO.	6
Agency—MacMannus, John & Adams, Inc.		Agency—The Hayless-Kerr Co.	
BETHLEHEM STEEL CO.	53	LUKENS STEEL CO.	29
Agency—Jones & Brakley, Inc.		Agency—Fuller & Smith & Ross, Inc.	
BLAW-KNOX CO.	23	MAINE DEVELOPMENT COMMISSION	7
Agency—Al Paul Lefton Co., Inc.		Agency—Ray Mills Adv., Inc.	
BOWER ROLLER BEARING CO.	2nd Cover	MARINE MIDLAND TRUST CO. OF N. Y.	30
Agency—MacMannus, John & Adams, Inc.		Agency—Barton, Barton, Durstine & Osborn, Inc.	
BUFFALO FORGE CO.	109	THE GLENN L. MARTIN CO.	64
Agency—Melvin E. Hall Adv. Agency, Inc.		Agency—Van Sant, Dugdale & Co., Inc.	
BURRUGHS ADDING MACHINE CO., INC.	107	MASONITE CORP.	37
Agency—Campbell, Ewald Co.		Agency—The Buchtel Co.	
THE E. W. BUSCHMAN CO.	80	McGRAW-HILL BOOK CO., INC.	106
Agency—The S. C. Baer Co.		McGRAW-HILL PUBLISHING CO., INC.	56-57
CALANESSE CORP. OF AMERICA	12	MECHANICAL HANDLING SYSTEMS, INC.	52
Agency—Edinburgh & Co., Inc.		Agency—Witte & Burden	
CENTURY ELECTRIC CO.	29	MERCURY MANUFACTURING CO.	62
Agency—Oakleigh R. French & Assoc.		Agency—O'Grady-Andersen-Gray, Inc.	
CHRYSLER CORP. INDUST'L ENGINE DIV.	11	MICRO SWITCH DIV. MINNEAPOLIS-HONEYWELL REGULATOR CO.	83
Agency—Zimmer-Keller, Inc.		Agency—Hamilton Adv. Agency, Inc.	
CLARAGE FAN CO.	90	MOBILIFT CORP.	4
Agency—W. J. Williams Adv. Agency		Agency—Allen & Cofoghen	
COLORADO FUEL & IRON CORP.	79	NATIONAL COTTON COUNCIL	68
Agency—Dixie, Kitchen & McCormick, Inc.		Agency—Herbert Rogers Co.	
COPPERWELD STEEL CO.	62	NEBRASKA RESOURCES DIV.	108
Agency—Ketchum, MacLeod & Grise, Inc.		Agency—Ayers Adv., Inc.	
CORNING GLASS WORKS	59	NEKOOSA-EDWARDS PAPER CO.	54
Agency—Charles E. Russell & Co., Inc.		Agency—The Camer-Krassell Co.	
CORRY-JAMESTOWN MFG. CO.	90	THE PENNSYLVANIA CO.	28
Agency—Walker & Downing, General Agency		Agency—N. W. Ayer & Son, Inc.	
DAVISON CHEMICAL CORP.	91	PHILLIPS PETROLEUM CO.	31
Agency—St. Georges & Kates, Inc.		Agency—Lambert & Frasier, Inc.	
DIAMOND ALKALI CO.	75	PITTSBURGH COKE & CHEMICAL CO.	33
Agency—Fuller & Smith & Ross, Inc.		Agency—Smith, Taylor & Jenadas, Inc.	
DOW CHEMICAL CO.	55	PLASKON DIV. LIBBEY-OWEN-FORD GLASS CO.	70
Agency—MacMannus, John & Adams, Inc.		Agency—Meltrum & Frankish, Inc.	
E. I. du PONT DE NEMOURS & CO.	7 & 72	RAPIDS-STANDARD CO., INC.	92
Agency—Barton, Barton, Durstine & Osborn, Inc.		Agency—Wesley Ayres & Assoc.	
DUREZ PLASTICS & CHEMICALS, INC.	67	REYNOLDS METALS CO.	76
Agency—Comstock, Duffes & Co.		Agency—Burroughs & Co., Inc.	
EASTERN CORP.	110	RHINELANDER PAPER CO.	36
Agency—Sutherland-Abbott		Agency—Frank C. Nahser, Inc.	
EASTMAN KODAK CO.	101	ROBBINS & MYERS INC.	58
Agency—Charles L. Russell & Co., Inc.		Agency—Erwin, Wasey & Co., Ltd.	
ELJER CO.	40	JOS. T. RYERSON & SON, INC.	27
Agency—Fuller & Smith & Ross, Inc.		Agency—Aultrey, Moore & Wallace, Inc.	
EMERSON ELECTRIC MFG. CO.	86	SOCODY VACUUM OIL CO., INC.	3rd Cover
Agency—Winous-Branden Co.		Agency—Compton Adv., Inc.	
FORT WAYNE CORRUGATED PAPER CO.	63	SWEET'S CATALOG SERVICE	47
Agency—Doremus & Co., Inc.		Agency—Fuller & Smith & Ross, Inc.	
H. B. FULLER CO.	80	TENNESSEE PRODUCTS & CHEMICAL CORP.	82
Agency—Olmshead & Foley, Adv.		Agency—The Griswold-Eshelman Co.	
THE GARDNER BOARD & CARTON CO.	45	TINKER ROLLER BEARING CO.	4th Cover
Agency—Stockton, West, Burkhardt, Inc.		Agency—Barton, Barton, Durstine & Osborn, Inc.	
GARDNER-DENVER CO.	34	TOTE SYSTEM, INC.	96
Agency—The Buchtel Co.		Agency—Ayers Advertising, Inc.	
GAYLORD CONTAINER CORP.	81	TRAVELERS INSURANCE CO.	44
Agency—Oakleigh R. French & Assoc.		Agency—Young & Rubicam, Inc.	
GENERAL ELECTRIC CO. (LAIR CONDITIONING DEPARTMENT)	77	UNDERWOOD CORP.	97
Agency—Kenton & Eckhardt, Inc.		Agency—Marshall & Pratt Co.	
GEN'L MOTORS CORP., FRIGIDAIRE DIV.	98	U. S. STEEL CORP.	2-3
Agency—Foote, Cone & Belding		Agency—Barton, Barton, Durstine & Osborn, Inc.	
GENERAL OUTDOOR ADV. CO.	78	WEBSTER ELECTRIC CO.	99
Agency—McClintock & Grisham, Inc.		Agency—Hamilton Adv. Agency, Inc.	
GERLINGER CARRIER CO.	78	WESTERN UNION TELEGRAPH CO.	65
Agency—Hal Short & Co., Inc.		Agency—J. Walter Thompson Co.	
THE GILBERT PAPER CO.	66	WESTINGHOUSE ELECTRIC CORP.	8
Agency—Meltrum & Frankish, Inc.		Agency—Fuller & Smith & Ross, Inc.	
		YOUNGSTOWN SHEET & TUBE CO.	43
		Agency—The Griswold-Eshelman Co.	

Facing the Consequences of Korea

For all its tragedy, Pearl Harbor was a blessing in disguise. It left no doubt about the job that had to be done and the kind of national effort needed to do it.

No such clear picture has emerged after a month of fighting in Korea. We do not know whether a move by the Kremlin might lead to a cease-fire offer next week or whether the long, rugged road ahead leads to another Bataan and another return to Korea—and whether that would be the end of the shooting or the beginning of some more.

Some things are plain by now, however: (1) The Communists have proved to be bold, tough adversaries who don't scare easily; (2) the hazards and costs of the struggle for a free world are rising rapidly; (3) American strength—so unequal to our commitment in Korea—has to be reinforced at danger points around the global front.

A full agenda of critical matters must soon be decided by Congress and the American people. Many of these decisions will be tough because the nature and size of the job can now be only dimly outlined. Many of them will be tough because never before have we tried to lead a modern war on top of a peacetime boom (page 19).

One of the great resources of the free world in the postwar struggle against communism has been the strength and stability of the American economy. It has baffled and dismayed the Kremlin.

That our productive system was running at full tilt when the Politburo chose to risk a general war in Korea explodes one myth of the cold war era: Stalin would wait to strike until American strength was paralyzed by the depression he regarded as inevitable.

That Stalin decided to move with the American economy operating full blast makes it no easier for us. If an all-out effort were required, we would be faced almost at once with the prospect of going over to a complete militarization of our economic life to get the needed war output and to avoid a disastrous inflation.

The job immediately ahead is much more limited than that. But it is clear already that we must meet a whole range of issues much sooner than we did a decade ago. The shelving of the tax-cut measure in the Senate last week is proof of that.

Here are some of the decisions we must face—some immediately, others perhaps a little later:

(1) How long this time will we be able to use wage and price incentives to get military production? Is the economy too tight and the inflation threat too great to make much use of these methods?

(2) How will we assure the necessary supplies of steel and other basic materials to military producers? Should we start by reviving the authority under expired P.L. 395 authorizing voluntary allocations with immunity from the antitrust laws? Or should Congress undertake to set up a system of compulsory allocation? Will limita-

tion orders be necessary to regulate the use of basic materials remaining for civilian goods?

(3) At what point should price controls and rationing be introduced? Should it be a selective process affecting a few key items first or a universal freeze?

(4) How do we mobilize manpower where it is needed if the inflation threat denies the use of wage premiums after the initial phase? What is the national strike policy to be?

(5) How will we finance the additional costs of the military program so as to minimize inflation? Will we resort to really severe personal income taxes? To forced savings? Will we fall back on the corporate excess-profits tax or has the renegotiation procedure made it obsolete? Can we step up the U. S. Savings Bond drive to carry the brunt of the deficit financing load at first? Will we make a genuine effort to support the drive, now under way in the Senate, to sweat down the enormous nonmilitary outlays of the federal government?

(6) Should consumer credit be permitted to continue its present expansion? How far should the Administration go in bringing federal mortgage credit policy with its easy appraisals, low interest rates, and secondary market underwriting into line with the new situation? How will we arm the Federal Reserve System to deal with an expansion of bank reserves and increased deposits?

These are some of the matters on the agenda for Americans today. Events in Korea have already required of us far-reaching decisions. To harness our decisive economic power to the task ahead as it unfolds will require wise and courageous action.

Big Government Grows

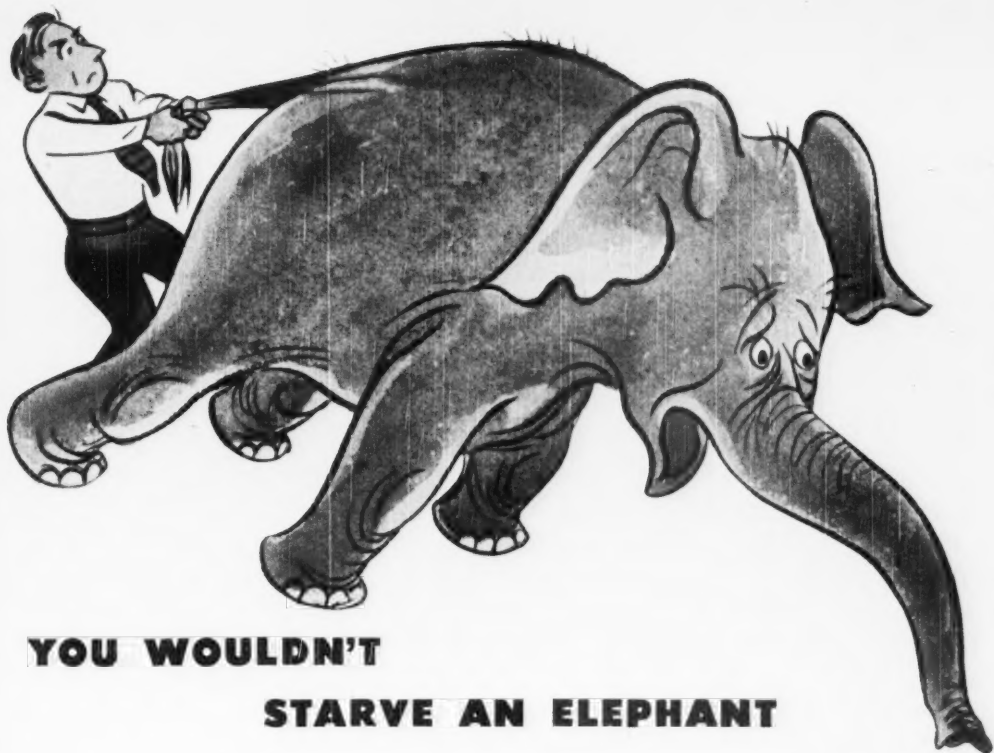
Loan applications are coming into the RFC at a rate of over 1,000 a month. This demand for federal credit has been cited as proof of the need for new and expanded government lending facilities.

But is it? We doubt it. One of those applications not so long ago was submitted by the Chicago Transit Authority. It wanted a \$20-million loan for new equipment. RFC refused.

That refusal led to the really interesting part of this story. CTA went back to Chicago, did some planning and some hustling and sold \$11-million of equipment trust certificates to a local investment house (BW—Jul. 8 '50, p83).

Apparently, CTA didn't work hard enough to get money privately before it went to Washington. We wonder how many RFC applicants are following the same course.

Big Government thrives and grows because too many private citizens think there is an easier way out of their problem than the way provided by private enterprise.



**YOU WOULDN'T
STARVE AN ELEPHANT**

...TO SAVE PEANUTS!



No, and it's just as unsound to risk loss of valuable machinery and production for the sake of saving "peanuts" on initial oil costs. For lubrication is not just "oils and greases" . . . it's also knowledge of machinery, the right lubricants to use, and where and how to use them.

That's why you save so many ways with Socony-Vacuum *Correct Lubrication* . . . a custom-made program of lubrication for your plant that pays off in greater output per machine, less friction loss, lower maintenance costs, and—ultimately—lower lubrication costs.

For the *genuine* savings of *Correct Lubrication*, call your Socony-Vacuum Representative.



SOCONY-VACUUM
Correct Lubrication

**WORLD'S GREATEST LUBRICATION KNOWLEDGE
AND ENGINEERING SERVICE**

SOCONY-VACUUM OIL COMPANY, INC., and Affiliates: MAGNOLIA PETROLEUM COMPANY, GENERAL PETROLEUM CORPORATION

True story about flying discs

IT takes a lot of brake to stop a four-engine plane landing at 90 MPH. To get more braking area, a special disc-type brake was developed. When the pilot applies the brakes, a steel disc that turns with the wheel is squeezed to a stop between two stationary discs faced with brake lining. This creates terrific friction—friction so great that the bare steel disc gets red hot, reaching temperatures as high as 1700°F.

Brake manufacturers found that discs made of high alloy steels often cracked at these

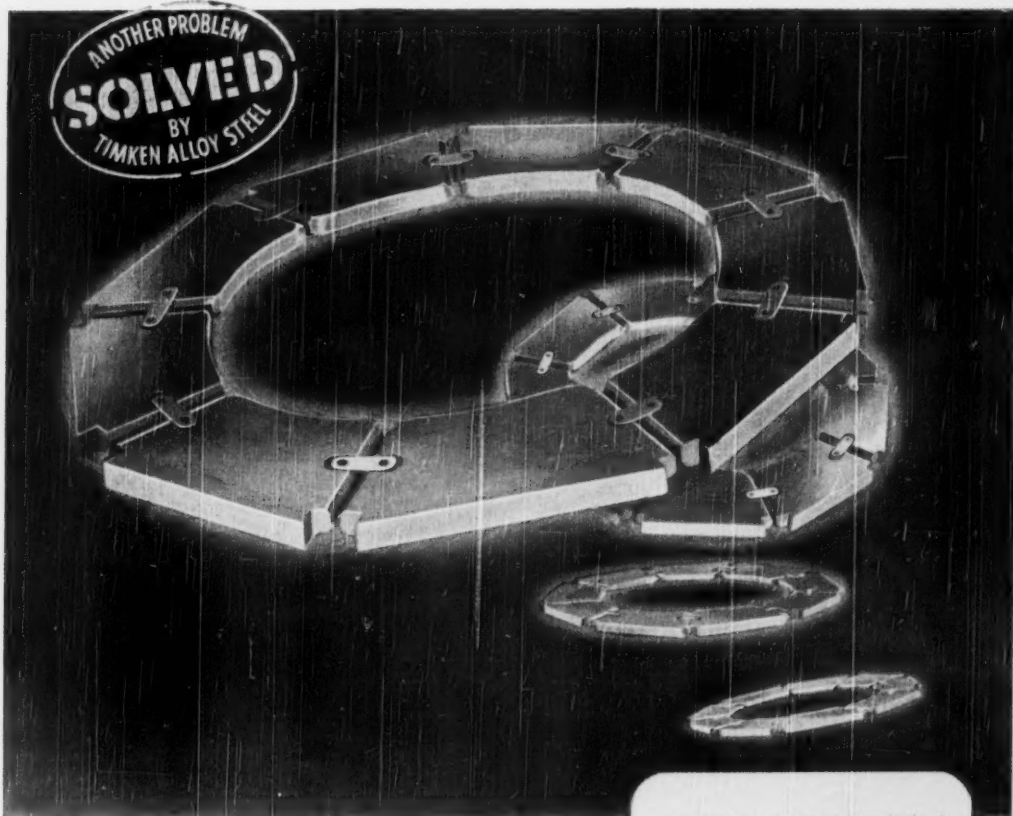
high temperatures. And most of the lower alloy steels they tried would soften and change shape. As a result, the average disc brake used to last for only 5 or 6 landings before servicing or replacement was necessary.

Looking for a better steel for the job, one manufacturer consulted metallurgists of The Timken Roller Bearing Company. Studying the problem, they suggested 17-22A (S), a special analysis Timken steel with outstanding resistance to high temperatures and stresses.

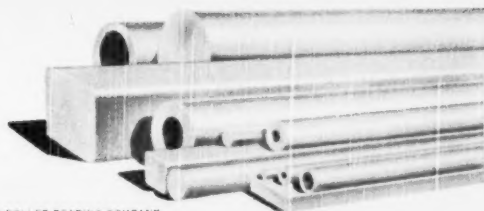
Put to the test, 17-22A (S) proved to be

the answer. Instead of 5 or 6 landings, disc brakes made of the new steel logged over 100 landings without attention.

This is yet another of the tough steel problems stamped: "Solved—by Timken Alloy Steel". Why not let us tackle your steel problems, too? Write The Timken Roller Bearing Company, Steel and Tube Division, Canton 6, Ohio. Cable address: "TIMROSCO". Tapered Roller Bearings, Alloy Steels and Seamless Tubing, Removable Rock Bits.



YEARS AHEAD—THROUGH EXPERIENCE AND RESEARCH



COPY, 1940 THE TIMKEN ROLLER BEARING COMPANY

TIMKEN
TRADE MARK REG. U.S. PAT. OFF.
Fine Alloy
STEEL
and Seamless Tubes